THE SUSTAINABLE FARMING AND FOOD STRATEGY, THREE YEARS ON.

Reflections on progress by the SFFS Implementation Group.

Introduction

In December 2002, Defra published the Government’s Strategy for Sustainable Farming & Food: Facing the Future, in response to the Policy Commission report on the Future of Farming & Food. After chairing the Policy Commission, Sir Donald Curry was invited to lead a small independent Implementation Group to assist Government to deliver the Strategy by acting as a driver for change within Government and across the industry. The group was set up in autumn 2002 with membership drawn from key organisations with expertise in farming, food and the countryside. The group met regularly for three and a half years, holding its final meeting in April 2006.

This report is a personal reflection by the group on the achievements of the Strategy and the Group over this period, and the challenges for the future. The Group recognised from the outset that delivery of the Strategy would be a long-term process, extending well beyond the life-time of the Group. The focus of activity has been on developing the policies and initiatives which will start to help the industry to move in the right direction. The report covers the key achievements and events which helped to build the foundations of the Strategy, the development of the “daughter strategies” which took forward certain specific and complex areas of work, the setting up of organisations and partnerships, and the investments that were made to ensure a new direction for the food and farming industries. In this report, the Group has reflected on how they carried out their duties and identified what worked well and less well as well as setting out some concerns and challenges for the Strategy for the next three years.
1. The Aim

The challenge was, and remains, to help the food and farming industries become ‘fit for the future’. The Sustainable Farming and Food Strategy sets out the wide range of policies which need to be delivered to drive and support the industry to change.

More specifically, the aim of the Strategy is to establish a profitable, competitive and efficient farming and food sector which protects and enhances our countryside and produces healthy food valued by and accessible to consumers. This overarching aim is made up of a number of economic, social and environmental outcomes which are being delivered by a range of policy measures and initiatives:

Outcomes – Economic

- Improved co-operation and trust throughout the food chain
- More efficient and competitive supply chain
- Increased and sustained farm profitability and efficiency
- Farm innovation and enterprise contributing to a flexible and dynamic rural economy

Achieved through the decoupling of support from production and the Single Payment Scheme, through better regulation and the Whole Farm Appraisal, and through support from English Farming & Food Partnerships, the Food Chain Centre, the Non-Food Crops Centre, the Red Meat Industry Forum and regional initiatives.

Outcomes – Environment

- Better understanding of environmental management by the farming industry
- Improved river water quality
- Improved farmland biodiversity and wildlife habitats
- Reduced environmental cost of food distribution

Supported by environmental protection measures including cross-compliance requirements under the Single Payment Scheme, the Environmental Stewardship schemes and initiatives and regulations to control diffuse water pollution from agriculture

Outcomes – Social

- Improved food quality and consumer adoption of healthy diets
- Improved animal health and welfare standards
- Increased skills levels in the food and farming sectors
- Increased number of new entrants start up businesses
- Creating opportunities for locally produced food
Achieved through the Food & Health Action Plan, the Animal Welfare Bill, by setting quality standards through farm assurance schemes such as Assured Food Standards and through skills and training provisions for the food and farming industry.

2. The challenges involved in delivery

In developing the Strategy, Government recognised that there would be many specific challenges on individual policy areas, but that the overriding challenges would be ones of co-ordination and leadership – to help the industry respond to the biggest change in farming and food policy since the second world war and to make this transition in a manageable way.

We were appointed by Government to help deliver the Strategy in four main ways:

- **Strategic oversight**: the Strategy is long-term and has a broad scope so there was a need to ensure that activities remain focussed on the outcomes and are responsive to developments.

- **Leadership**: Success is heavily reliant on a voluntary change in behaviour in an industry in which there is significant resistance to change so there was a need to ensure that the individuals and businesses knew why and how they could change.

- **Stakeholder perspective**: there are a range of industry, consumer and Government interests involved in the delivery of the Strategy resulting in frequent difficult decisions and compromises. There was a need to provide a stakeholder perspective which could take into account the diverse interests and propose ways forward that were in keeping with the strategic aims, helping Ministers and officials to make informed decisions.

- **Joined up delivery**: The strategy required new ways of working across Government and particularly within Defra, which was still a new organisation when the strategy was published. There was a need for increased understanding between agricultural and environmental policy areas, a new way of working in partnership with industry in the regions and cross-departmental working on a number of policy areas including consumer health and bio-energy.

3. The functioning of the Implementation Group

Our role has therefore been a combination of challenge and facilitation. Through our meetings together and with officials and industry representatives we have provided strategic oversight, driven and facilitated delivery and provided stakeholder perspectives and external championship.

Our Group consisted of 10 members. There have been a few changes to the membership since the group’s creation in 2002. The membership over that period has been:
We have carried out our role in a number of ways:

- Sir Don has regularly met a wide range of stakeholders as well as Defra Ministers, HMT and No 10, including other Government Ministers as necessary.

- We have met regularly to review progress and discussed areas of concern with officials in Defra and other Government Departments.

- Work carried out under the Strategy has been divided into ten work areas, each headed up by a Director-level official. Individual IG members led on each of these ‘workstreams’ and regularly met these officials to address more detailed issues.

- Effective regional delivery has been essential to the success of the Strategy. Sir Don and the Programme Director have conducted a series of visits each year to meet the regional steering groups in each Government Region to assess how the strategy is being delivered on the ground and to discuss barriers to delivery. We have also worked with delivery bodies at a national level to ensure consistency and effectiveness across the country.

- All members promoted SFFS and the work of the group in public meetings, contact with farmers and our own organisations.

4. **Progress**

The Strategy covers a large range of activities and commitments, all directed to the long term objectives outlined in the original Policy Commission report. Progress over the last three years has been assessed in detail by Defra, who are producing an Action Plan to take forward the Strategy over the next three years. However, it seems fitting to record briefly here some of the key steps which have been taken in the period during which the Implementation Group has been overseeing this work.
The first three years of the Strategy have necessarily focused on developing the policies and schemes that will start to make a difference on the ground and the achievements to date reflect that focus – putting the drivers and capacity in place that will enable industry to deliver the outcomes in the years to come.

There have been five main areas of work:
- Devising and implementing key initiatives
- Developing detailed policies (daughter strategies) for specific aspects of the Strategy
- Capacity building to reconnect the food chain
- Building new partnerships to protect the environment
- Investing in new directions for industry

Building the foundation

The Strategy is long term and delivery is spread over many years, but some of the main drivers for change have already been delivered. The Policy Commission recommended decoupling subsidies from production in order to encourage the farming industry to move closer to the market. The Government carried forward this recommendation in the 2003 CAP reforms, which led to the establishment of the Single Payment Scheme (SPS). The reforms themselves and subsequent policy development were significant achievements, but the implementation of the SPS has been disappointing. The complexity of the scheme, the scale of the IT system and the relatively short delivery timescale combined with re-organisation of the RPA meant that this was always going to be a high risk project. The delays to payments and difficulties over obtaining information from the SPS helpline was a serious distraction and financial problem for farmers that must not be repeated in subsequent years. Revisiting and simplifying the system will be a key part of this.

Another key recommendation was for a broad-based environmental scheme, going beyond the cross compliance requirements attached to the single payment. The Environmental Stewardship scheme was introduced, with two levels to accommodate both those first entering into environmental schemes (Entry Level and Organic Entry Level Schemes) and those ready to go further in the management of high-priority landscapes and habitats (Higher Level Scheme). As with the SPS, delivery of the scheme has been hampered by IT problems, but these are now

For me, the 2003 CAP reform deal was a very important step. The step that England took in implementing CAP reform was innovative and brave. It went much further than people would have expected and set the scene for radical change.

Christine Tacon

“The Curry report recommended a “broad but shallow” environmental scheme to bring more farmers into the delivery of environmental benefits and begin a culture change, with a targeted higher tier scheme to restore and enhance landscape and habitats. The Environmental Stewardship Scheme is a real example of a complex strategy being given substance and beginning to make a difference.”

Graham Wynne
largely resolved and over three million hectares of land has been entered into an Entry Level Stewardship scheme agreement. Uptake of the Higher Level scheme has been slower than anticipated. Improvements to application processing and promotion will need to be a high priority over the next year, alongside securing adequate funding, if we are to realise the full benefits of these schemes.

Defra has responded to the frustration that many farmers expressed about the number of forms and inspections they have to deal with through the development of a system that will reduce the need for multiple form filling and allow for a more risk-based approach to compliance inspections – an on-line version of the Whole Farm Approach was launched in March 2006. This is a major achievement, but success will ultimately be measured by uptake and the effectiveness.

**Developing ‘daughter strategies’**

The Strategy sets out the overall direction for change, but some complex aspects of the Strategy needed to be developed into strategies in their own right. The creation of these ‘daughter’ strategies has enabled Government and stakeholders to work together to produce a shared vision for these areas, but this is only the first stage. Delivering the visions will depend on continuing to work in partnership to drive change within the industry in a manageable way.

The Animal Health and Welfare Strategy for GB was launched in 2003 setting out a route map for work to improve the health and welfare of animals through government-industry partnerships. An external implementation group has been established, tasked with overseeing delivery of the action plan to deliver the strategy in England.

The drawing up of a Food Industry Sustainability Strategy was a difficult and time-consuming process, but one which saw cooperation between Defra and industry in setting out a series of actions and objectives designed to embed the principles of sustainability in the food chain beyond the farm gate.

The Public Health White Paper, published by the Department of Health, embedded nutrition policy fully within the wider public health agenda, giving a clear focus on tackling obesity. A plan for delivering these nutritional aspects (Choosing a better diet – a food and health action plan) is being taken forward under a cross-governmental governance structure.

“Making the Food and Health Action Plan work has been a real challenge because the policies cross Departmental boundaries. The setting up of the FAHAP group and the inclusion of Department of Health work within the implementation of the strategy has been a major step. The work has not just been about food, but about other aspects of health such as physical activity: targets have been developed and linked to national targets for reducing obesity under the “Choosing Health” White Paper. Cross-government mechanisms have been established through the ministerial steering group, the officials group and the FAHAP Group, leading to improved working relationships between the Department of Health, Defra, the Food Standards Agency and the Department for Education and Skills. “

*Dame Yve Buckland*
A joint Defra / DTI **Strategy on Non-food Crops** was launched in 2004 with a long term aim to create more demand for, and use of by industry, renewable raw materials made from crops by increasing commercial opportunities and stimulating innovation, thereby cutting carbon emissions, waste and environmental damage and protecting natural resources.

**A Farm Regulation and Charging Strategy** has been developed which will be implemented across Defra to ensure that regulations are used as effectively and efficiently as possible – minimising administrative burdens on industry whilst delivering the desired outcomes.

**Capacity building to reconnect the food chain**

In line with the theme of the Commission Report of reconnecting producers with their markets and the consumer, the Strategy sought to facilitate an understanding of a changing market and enable producers to make the best use of that understanding. To that end, a number of key initiatives and bodies were put in place. The establishment of **English Farming and Food Partnerships** was an important step in encouraging producers to collaborate and strengthen their position in the supply chain. In addition, a regional food strategy was developed to help expand the quality regional food sector; a **Public Sector Food Procurement Initiative** was launched to encourage public sector purchasers such as schools and hospitals to procure food sustainably and the **Food Chain Centre** was set up to help improve business performance, working with the ‘Red Meat’, ‘Cereals’ and ‘Dairy Supply Chain’ Industry Forums. The Food Chain Centre and these industry forums have played a key role in encouraging benchmarking and the sharing of good practice. We have also encouraged industry to access the **Agricultural Development Scheme** which provides match-funding for industry-led projects, improvement and spread of best practice in business management including understanding of price risk management techniques, assurance schemes and opening up new markets. We have also supported the Red Tractor Scheme which continues to deliver a guarantee to the retailer and the consumer through the work of **Assured Food Standards**, and the integration of the **Organic Action Plan** with the Strategy.

“**For me, the emphasis on public procurement has been a major step. Targeting such an important part of the food chain has opened up real opportunities. The message is reaching schools, hospitals, prisons and other public organisations; by changing their buying policies they can really make a difference.**

*Sylvia Jay*

Our focus has been on establishing and promoting these bodies, but the focus now needs to move to ensuring that the diverse range of activities are producing results and that the bodies are working together in a complimentary way which is both efficient and effective.
Building new partnerships to protect the environment

Environmental protection is an area of the Strategy where there is still a lot of work to do. A complex array of European Directives makes policy-making in this area challenging and lengthy, but some important steps have already been taken. The 2003 CAP reform deal was an early achievement. In de-coupling future subsidies from production, it removed an incentive to maximise production, freeing farmers to focus on the market and reducing the likelihood of production-related environmental damage. Against this background, Defra produced a report on environmental priorities for agriculture and a Nutrient Management Unit was set up to take forward the priorities identified in a joined up way. A catchment sensitive farming programme has been set up to take forward the results of a strategic review of diffuse water pollution from agriculture. Recent developments include the announcement of forty priority action areas where advisers will work with farmers on the ground to reduce diffuse water pollution. A Soil Action Plan for England was developed with stakeholders to help farmers to comply with the Good Agricultural and Environmental Condition requirements of cross-compliance under the Single Payment Scheme.

Investing in a new direction for the farming industry

Much of the Strategy is about helping the farming industry to find a new and sustainable direction. Food production will always be the central focus of farming, but not the only focus. Diversity of activities and opportunities is at the heart of a thriving industry and much of the Strategy is aimed at helping the industry to find new markets and adapt to change. Progress in this area has included the setting up of the National Non-Food Crops Centre and the establishment of a biomass task force. The Research Priorities Group have reported on the areas where Government-funded research should be focussed to assist most effectively in the delivery of the Strategy. This has enabled Defra to re-assess its research programme to ensure that it best meets SFFS priorities. Some of the best solutions can come from everyday experiences and the Rural Development Service have introduced a new Farm Demonstration concept to enable farmers to learn best practice from one another. This initiative is being run on a regional basis, which helps to ensure that the learning is relevant to local farmers, but could benefit from some national co-ordination to provide an overview of best practice and ensure sufficient range of farm type. The Farm Business Advice Service was reviewed and re-launched to provide consistent and integrated business advice to farmers in areas of poor economic performance and a Rural Business Advice Channel has been successfully piloted and is due to be rolled out in full this year. These advice services are aimed at supporting the farming industry through the period of transition that was initiated by the 2003 CAP reform deal. Effective co-ordination of farm advice services is difficult due to the large number of providers and diversity of farm enterprises. The delivery of these advice services will therefore need continual oversight to ensure effective and efficient operation. A number of publications on managing financial risk have also been well-received by farmers. Any industry also needs a constant flow of new entrants and the launch of the Fresh Start initiative was designed to do just that. Industry-led, with support from Defra, the initiative includes ‘signposting’ of advice,
mentoring, exit/entry ‘matching service’ and help in meeting the challenges of responding to CAP reform.

Regional Delivery

The Strategy invited Government Offices and Regional Development Agencies to lead the development of SFFS delivery plans in each region. It is clear from our regional visits that some excellent work is taking place in all parts of the country. We have been impressed by the commitment to strong partnership working, involving a wide mix of regional and local bodies which is driving forward a diverse range of projects covering SFFS priorities such as public sector food procurement, promotion of regional/local foods, education in schools, healthy eating, integrated advice/support packages and promotion of new non-food crop opportunities. This has helped ensure that SFFS priorities are embedded in regional and local activities, to ensure a strong “grass roots” element to the delivery of the Strategy.

5. The next three years

So, much has been achieved, but there is much more to do! We have identified a number of key areas for delivery over the next three years as well as some key challenges.

Key areas for delivery

The first of these continues to be in driving forward the culture change that will see producers moving closer to their markets and embracing new opportunities to develop their businesses. This will not happen if they perceive themselves to be at a disadvantage compared with their counterparts in other European Member States. In our view, this means that money modulated from Pillar 1 of Common Agricultural Policy funds, which provides direct support for producers, must be matched by UK government funding. Only if this is seen to happen, so that less is taken away from direct support during the first crucial years of transition, will farmers support or accept the changes in direction which they must take. We believe the work of the new Agricultural Change and Environment Observatory should be seen as a key resource in informing policy-making in this area.
Another key delivery area lies within the **food chain**, where we still see a crisis of confidence on the part of some suppliers. There is a perception among many producers that the larger supermarkets still have a large amount of control in the food chain and there continues to be anecdotal evidence of practices, such as retrospective discounts and suddenly cancelled contracts, which damage relationships in the food chain and cause hardship for suppliers. Work being taken forward by industry representatives, working with Business in the Community, is looking at how best practice can be incorporated into Corporate Social Responsibility statements, but we are concerned that any steps taken must have enough credibility to improve supplier confidence. We recognise that the process of reconnecting the food chain is a long term one, but would like to see the food chain bodies developing their roles further - embedding and expanding real benefits in the chain.

Much work remains to be done in the complex field of **environmental protection**. At a time when farming is under considerable pressure it is vitally important that new initiatives and regulations in this area are well co-ordinated and their impact monitored and reported. We would urge Defra to continue to work to ensure that those making and implementing policy are aware of changing priorities and that, where appropriate, diverse objectives are served by effective co-ordination, making best use of the Nutrient Management Unit. Two areas have risen in importance since the Group’s work began: waste management and climate change. The positive assets available in waste must be considered at the same time as measures to ensure compliance with legislation which treats waste as a problem and the work of the Rural Climate Change Forum will be important to ensure that agriculture is able to not only adapt to the impacts of global warming, but also help to mitigate and prevent it.

We strongly support the increasing focus on production of **non-food crops** but this will present a challenge. A number of issues should be at the fore in taking this forward: in meeting the renewable fuel obligation we would like to see UK-produced bio-fuels competing effectively with cheap imports to fulfil this obligation; in developing non-food crops care must be taken to prevent loss of biodiversity; and we would like to see measures to facilitate investment in processing of bio-fuels and biomass for energy so that they can become viable on a larger scale.

**Food and Health policies** must continue to be a key part of the ongoing strategy. We have a number of concerns about this area. It is worrying that the broad approach we would like to see to improving nutrition in the whole population is not reflected in the narrow PSA targets for reducing childhood obesity. There also appears to be a risk of loss of momentum for delivering the Choosing Health White Paper and the obesity strategy as a result of cuts in DH...
funding and reprioritisation of funding and delivery targets. Unless the improvement in relationships between parts of government and the food manufacturers and retailers is maintained, there could be a stalemate around some of the more sensitive issues, such as advertising food to children and food labelling. It is also vital that health issues continue to be integrated into the food chain delivery and public procurement work taking place under the Strategy, and into regional delivery, where the involvement of the Regional Directors of Public Health will be crucial.

Key Challenges

Communications: We see a need to raise awareness of the strategic issues around SFFS in Government and with the public. It is important to ensure that the focus is not solely on farming: the reconnection themes and the potential for consumers to be drivers for change must not be lost. The public should continue to be reminded of the role of farmers in conserving the countryside and of their own role in helping sustain the English farming industry as consumers and taxpayers. This is not just a job for Government: all sectors and stakeholders must accept responsibility. Education has an important part to play in reinforcing these messages with children. The work of organisations like FACE (Farming and Countryside Education) and LEAF (Linking Environment and Farming) is also at the centre of this effort. Meanwhile, Defra should not lose sight of the bigger picture and the importance of communicating with the public, while continuing to work on the effectiveness of its communications with farmers and the food industry.

Leadership: To take the Strategy forward successfully over the next phase, strong leadership will be necessary across the board. In the first place, we think it is essential that the Government, not just Defra, continues to show its strong commitment to the Strategy and deliver policies which maintain the direction set in the first three years. This may not always be simple but the direction so far has been right and the message from all relevant parts of Government must consistently express that.

It is also vital that the governance of the Strategy is strong. The last three and a half years have shown that there is real value in an external challenge to government, and officials have told us that they have benefited from the Group’s approach. The yearly visits to the regions by Sir Don and other members of the Group have provided a helpful discipline for the organisations in the regions. Work by Sir Don and the sub-groups has been important in bringing together both officials and key industry figures to solve difficulties and work through barriers. The Group is anxious that any future governance arrangements are at least as strong as the Strategy goes through a transition from implementation of activities to delivery of outcomes. The proposed new
structure will need to be given the freedom and authority to make a difference, and continue to provide a challenge to the Department.

Finally, there must be strong leadership within the farming and food industries. The Strategy will be delivered not just by the setting of policies or the laying and enforcing of regulations, but by the acceptance of the need for change and by brave decision-making by farming and food industry leaders and practitioners.

“There is no doubt that having a Defra strategy has given real focus and drive to a lot of new policy development in a period of great change. The current difficulties in farming show we still have a long way to go, but the foundations are there, for example on better regulation, and it is now up to all of us to make it happen.”

Richard Macdonald

Maintaining momentum and capacity to deliver on the ground: The last three years have seen the launch of a number of key schemes and initiatives to drive and support the industry to change. This has sent clear messages that Government is committed to working in partnership with industry. Ensuring continued capacity to deliver these commitments is therefore vital, especially during the next few years when the industry will need to make the most of the opportunities in a de-coupled world. Specific capacity challenges over the coming years include securing adequate funding for the next Rural Development Programme by match-funding all modulated funds, ensuring that the formation of Natural England delivers real benefits for customer service, continuing to support the work of the food chain bodies and ensuring that SFFS remains a priority in the RDAs.

It will be important to maintain a strong focus on regional delivery. All bodies need to continue to work closely together to make sure that delivery of the Strategy in the regions does not lose momentum and the excellent work started is not lost. Regions will need to ensure that their delivery plans and new governance arrangements are refreshed so that they remain fit for purpose and respond to new challenges. It will also be important to make the new arrangements introduced to improve the sharing of information and best practice between regions work effectively.

Measuring Success: As this report demonstrates, it is easier to measure processes than outcomes, especially during the early stages of a long term programme of delivery. The strategy has high-level indicators of success, but these are inevitably slow moving. The challenge over the next three years will be to find ways of monitoring and reporting changes on the ground to ensure that policy development and delivery can be flexible and responsive.

6. Lessons Learned

At the time of our appointment, only one other example of this type of working between Government and Industry had existed, namely the New Deal Task Force. An independent review of the Group in 2004 concluded that the Group had added value and that, without it, the Department would not be as far
forward with SFFS implementation. We have learnt a lot in our three years with the Strategy and have recorded some reflections here.

Some elements of the Strategy involved high risk activities such as procuring and implementing new IT systems. We regularly received updates on the Single Payment Scheme IT system, but with hindsight feel that we ought to have been more probing at times when we were told that the system was on track to deliver or pressed for a simpler system from the start. It is worth noting, though, that such an approach would be very time-consuming and could distract from other areas of delivery.

“The Implementation Group worked in partnership with civil servants. Together they functioned effectively and shared responsibility. As a group we were able to bring civil servants together to work strategically across boundaries. This was a very constructive approach which could be replicated successfully elsewhere in government.”

Rosemary Radcliffe

We also found that delivering a strategy that crosses Departmental boundaries is particularly challenging. Allocating a group member to have specific responsibility for working with the Department of Health was a good way of increasing engagement.

Successful regional delivery is at the heart of the strategy. The annual regional visits helped to provide support and challenge, but the introduction of independent regional chairs has been a real success – replicating Sir Don’s role in each region.

7. Chairman’s Conclusions

The SFFS Implementation Group has been widely recognised as a successful and innovative model, which could be used elsewhere; we feel we have shown the way forward for new ways of working for Government, with greater openness and accountability. Working in this way has achieved a great deal, but we recognise too that there is a great deal still to be done. The focus so far has been on capacity building, but the real benefits will be delivered as the farming and food sectors start to take up the opportunities available and change practices accordingly. We believe that this is a crucial time. The Government must seize this opportunity to restate its commitment to industries going through a period of transformation – not just by sending out clear messages in support of that transformation, but by demonstrating that there is the determination and the capacity to deliver on that commitment.

SIR DON CURRY

July 2006