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Progress since Brexit on agriculture and the environment



What has happened since Brexit?

During the referendum debate, prior to Brexit, agriculture was widely seen as perhaps the one area of policy where there would be significant opportunities for decisive environmental gain outside the EU. Options opened for developing new approaches outside the Common Agricultural Policy (CAP). Agricultural policy and the funding involved became a national responsibility, exercised by the four nations of the UK within certain common rules but with funding remaining largely centralised under the Treasury. This triggered a period of significant change, especially in England, with policy transformation still underway and civil society very much engaged.

The shift in agricultural support policies

Primary legislation was required to underpin new agricultural policies in the UK, creating the occasion to set new objectives and establish fresh policies to deliver them. The environmental community took a prominent role in arguing for the principle of ‘public money for public goods’ and was successful in advocating this in England, first through a consultative period (including the memorably titled 2018 Health and Harmony paper) and then through a lengthy parliamentary process resulting in the Agriculture Act 2020.¹ This act provides the foundations for policies to incentivise a sustainable pathway for agriculture and land management. Unlike the CAP, which has nine specific and one cross-cutting objective, the act clearly establishes environmental benefit as the core objective for agricultural spending programmes, with further references to animal welfare, increased farm productivity and, to some degree, the maintenance of food production.

The act explicitly mandates the removal of costly and untargeted direct payments, marking a second decisive break with the CAP. It launched what has been a pioneering, albeit rocky process of building new and expanded agri-environmental schemes, in principle absorbing the funds released from direct payments and seeking to provide a range of environmental benefits on an increasing scale. In other parts of the UK, new legislation to underpin future payments has been introduced more slowly and there has been much more limited policy change, which we consider briefly below.

In England, the core policy change has been to progressively build up a suite of Environmental Land Management schemes (ELMs) which, together, have now become the main form of support for agriculture in England. Environmentally focused schemes will account for about 64 per cent of the budget over the years 2024-2026 and more beyond that. In parallel, the CAP derived Basic Payments (converted into ‘delinked payments’ in 2024), payable to nearly all farmers with

minimal conditions, are being phased out over seven years up to 2027, representing a major change in policy, with significant impacts on farm revenues.

The environmental schemes were slow to expand in the early years of the new Farming and Countryside Programme. Various options were considered before the current three tier version of ELMs was adopted. Currently this consists of:

- a new lower tier Sustainable Farming Initiative (SFI), being expanded to become the primary support policy; this is simple to enter, giving farmers a wide range of choices on a pick and mix basis;
- the longer standing, but considerably modified, Countryside Stewardship scheme which has both middle (now absorbed into SFI) and higher tiers;
- the most environmentally ambitious, but smallest scale, element, the Landscape Recovery scheme, focused on projects in zones of several thousand hectares rather than individual fields or farms. This has the potential to make a major contribution to nature restoration goals if rolled out at scale but has had a small budget to date, and the approval of individual projects is proving a time absorbing process.

The SFI was introduced initially as a pilot and then as a fuller, short term scheme. It became a longer term scheme, parts of which proved popular with many farmers. However, as take up of the most appealing and less demanding elements rose over the winter of 2024-25, there was a sharp increase in the cost to the Department of Environment, Food and Rural Affairs (Defra), which manages the scheme. This led to sudden closure in spring 2025, without advance warning to farmers, which was a serious setback and has given what was seen as the flagship new policy a reputation for unpredictability, amplifying distrust among farmers of the way the ELMs programme is being delivered by Defra. The scheme will now be modified but it is not yet clear exactly how or when it will reopen.

Nonetheless, the shift to ELMs is progressing and the scale of adoption has increased considerably over the past two years. Around 50,000 farms now have land signed up under an ELM scheme, covering more than half of all farmed land in England.² The aim is to cover around 70 per cent of all farmland within environmental schemes. The next stage will therefore be critical. Not only is further uptake and related expenditure needed to meet the target, but the schemes will need to deliver more added value than they do today to meet environmental expectations and contribute to binding environmental targets, notably those set out in the Environment Act 2021 and climate legislation.

Complementing ELMs is a new generation of aid measures for investment on farms, aiming to increase productivity and improve animal health and welfare, amongst other things, as well as contribute to environmental improvements. Advisory services have changed too, and the Catchment Sensitive Farming advice scheme has been expanded, although the chance to build up a substantial new advice programme to guide farmers through this major transition was not taken.

Other policy areas

Most other policy areas linked to agriculture have changed less. The expected overhaul of environmental regulation impacting farming and related land management did not occur and, up to now, regulations have changed little, leaving incentives for farmers as the key drivers for making environmental improvements.

The continued level of water pollution from agriculture has been an increasing concern, underlining the weakness of regulation in this area. Guidance offered to farmers in relation to the Farming Rules for Water, which have been actively challenged by several NGOs and investigated by the Office for Environmental Protection (OEP), are a notable example of an ineffective regulatory baseline. Recent change to these statutory guidelines is a welcome development.³ There is currently discussion about potentially more far reaching changes to regulations in this sphere but the government's intentions are not clear.

Pesticide regulation is now mainly the responsibility of British authorities, with EU rules continuing to apply in Northern Ireland. Thus far, there has been no radical change in policy direction, although some important specific decisions have been taken; for example, over the continued authorisation of Cruiser SB (containing the neonicotinoid thiamethoxam) on sugar beet crops under an emergency provision for several years until January 2025, when it was denied to the relief of environmental organisations. More broadly, since 2021, the pattern has been for standards to diverge from those in the EU. Analysis by Pesticide Action Network UK highlights that this has occurred particularly in relation to automatic extensions to the approval of tens of active substances and changing hundreds of statutory Maximum Residue Levels, in the absence of any parliamentary scrutiny.⁴ More alignment may come in future, however, as the government has accepted that this would be required as part of a new agreement with the EU on agri-food trade, as confirmed in the Common Understanding reached with the EU during the 'reset' meeting in May 2025.⁵

As a direct result of the phase out of direct payments and associated CAP rules, and in a new drive for simplification and reducing burdens on farmers, cross-compliance was removed at the end of 2023. Some of the environmental requirements previously included in cross-compliance then fell away. It was only after a persistent campaign by NGOs that new legislation to require hedgerow protection and, largely but not completely, to reintroduce the same level of protection as existed under defunct CAP cross-compliance rules was adopted in 2024.⁶ This closed a significant gap created by the removal of cross-compliance but without the same threat that payments were at risk of reduction if rules were broken.

Removal of cross-compliance also ended the associated farm inspections and the possibility that farmers could lose some of their support payments if found to be in breach of the law. The absence of cross-compliance created a gap in the effort to monitor and enforce respect of domestic environmental legislation on farms which continues to apply. It has placed a heavier burden on inspection, advice and enforcement work by the Environment Agency (EA) in particular. This raises questions about how the EA balances its roles as both adviser to farmers and enforcer of the rules, and the resources available to fulfil these missions. The number of farm inspections is now increasing from a low base. Breaches of water pollution and other regulations on farms remain widespread

unfortunately, although there are several means available for addressing this problem.⁷

Initially there were hopes that the Agriculture Act would be accompanied by a new and forward looking food policy for England but this did not come to fruition and has remained largely unchanged, despite vigorous campaigning for a new approach from a wide variety of organisations and experts. This only recently returned to the government's agenda with Secretary of State Steve Reed promising a new Food Strategy, the nature of which may become more concrete later in 2025 following exchanges with stakeholders and the new Food Strategy Advisory Board.

Wales, Scotland and Northern Ireland

Outside England, agricultural policies have remained more aligned to the CAP with a greater role for direct payments but changes are underway in all three nations. In Wales, sustainable land management has been made a fundamental objective for longer term policy and there has been fervent debate about the proposed new Sustainable Farming Scheme, which will be the key support policy in future. The first version of this policy was due to start in 2025. However, following pressure from farming organisations to reduce the level of environmental commitments, including for woodland and ponds, the scheme has been revised and is now due to start in 2026.

In Scotland and Northern Ireland, direct payments on the CAP model remain central to the support regime for farmers. In Scotland a new model with more targeted payments, arranged within a four tier structure of more conditional support, will not begin until 2027. In Northern Ireland, change has also been slower than in England with the introduction of a new generation of schemes proceeding in stages to replace the longstanding Basic Payment Scheme. The Farm Sustainability Payment is due to be introduced in 2026.

In all three administrations initiatives on food policy are underway, including the Good Food Nation Plan in Scotland, the Community Food Strategy for Wales and the Food Strategy Framework in Northern Ireland.

The question of funding

Under the CAP, budgets for agriculture are set for a seven year period, offering considerable mid-term predictability. Furthermore, the CAP budget has proved rather resilient over the years, and it is unusual for very large changes in the total allocation to agriculture to occur. This has given farmers considerable confidence about the broad level of support likely to be available and the direction of travel. Since Brexit, this level of predictability has gone. Budgets in the UK are typically fixed for two to three years ahead and are much less predictable. Initially, there was an agricultural budget fixed for the whole of the parliament, but this seems unlikely to occur again. In England, there was great uncertainty about the outcome for agriculture of the most recent spending review, with rumours of a significant cut. In the event this did not occur, and the budget was kept at around its current level of about £2.3 billion a year, plus £400 million of capital funding, with the share of environmental schemes rising.⁸ This is welcome, especially given the squeeze on Defra's budget.

The longer term, however, is much less certain and greater flexibility from the Treasury to agree budgets for five years or more would be particularly helpful. Farmers are being asked to invest in significant change in the journey to sustainability and need a degree of policy certainty. They also need sufficient budget, considered by both farming and environmental organisations to be above £3 billion per annum, well above the present level.

Capturing the environmental potential

The development and implementation of ELMs schemes has been an extended process, subject to considerable, sometimes abrupt, changes and the abandonment of the original plan to divide the budget relatively evenly between the three tiers.⁹ The present incarnation of ELMs and its budget is dominated by the lower tier SFI scheme and this seems likely to remain the largest element of the programme, relatively easy for farmers to enter, currently with a wide choice of options and no significant targeting to spatial or thematic priorities. In principle, Defra aims to increase both the uptake of the scheme and its level of ambition, while expanding the other ELMs schemes as well. This needs to be achieved while maintaining broadly the current level of food supply from domestic resources, an ambition which is largely on track so far, helped by relatively high market prices for several key agricultural products.

The leading question, then, is about how much more this model will deliver for the environment than it does now and how to achieve the level of sustainability and nature recovery required?

There is a widespread view amongst environmental NGOs and think tanks that, at present, the policy mix will not drive sufficient changes in practice to meet the targets set out in the Environment Act 2021 and the Environmental Improvement Plan (EIP). It is too weighted towards the SFI, rather than the higher tier schemes of Land Recovery. It is insufficiently targeted, with uptake excessively concentrated on three or four SFI actions, not supported by a large scale advisory campaign and has the challenge of getting most of the farming community on board in the face of unwelcome government decisions, for example in relation to trade and inheritance tax.

The OEP has also highlighted concerns in this area and underlined the importance of getting nature friendly farming right as a priority for delivering the EIP. In a recent letter to the Secretary of State, Steve Reed, it reports that it has identified “limited capacity for reducing water pollution, supporting your priority of cleaning up rivers and lakes, without both changes to the current schemes and changes to the regulatory approach”.¹⁰

With the main focus on payments and incentives, many other areas of policy have lacked the same attention. A new land use framework and accompanying sense of direction is overdue and awaited with much anticipation.

Other areas need attention too. Many of the proposals for agriculture policy made by the Climate Change Committee have not been taken forward, tree planting is well below target levels, there is no binding target for emissions

reductions from agriculture, which are not reducing significantly, nitrogen pollution remains stubbornly high, pesticide policy has not progressed environmentally and demand side policies to promote sustainable diets have yet to emerge. These are all important topics in their own right but, together, they point to the need for more strategic framing.

Next steps

Now a new model of agricultural support is in place in England there are important choices to make about operationalising it in the right way, raising environmental ambition and securing sufficient budget, supplemented with private funding on a larger scale. With counterpart measures to be developed in the other three UK nations and attention to areas not yet aligned to the new approach, such as trade policy, this is not a small agenda. Greater weight needs to be given to more environmentally ambitious higher tier schemes, with a corresponding increase in the resources allocated to Defra agencies to take this forward rapidly.

An early decision on the future budget for the Landscape Recovery scheme and staff capacity in the official agencies supporting it would be a useful initial step. So, too, would be the publication of a sufficiently directional and granular land use framework for England to support a more proactive targeting of ELMs and other schemes, to address often interlinked objectives, such as biodiversity restoration and reduced nutrient pollution. Both require a combination of countrywide and locally targeted measures.

The growing area of farmland under the SFI scheme creates opportunities to guide mainstream agricultural production into more sustainable and less polluting practices, with larger areas devoted to biodiversity. However, this requires a greater willingness to target payments in the way that maximises environmental returns and tilting the suite of actions on offer towards those that offer the greatest benefit. At the same time, payments need to be high enough to contribute significantly to the viability of farms, especially if prices for key products such as cereals and milk are low. The new model needs to deliver for both food production and the environment.

Current Defra work on a new 25 year roadmap for agriculture provides an immediate opportunity to address this challenge, rebalance part of the Farming and Countryside Programme and, in parallel, retune the SFI to be a more effective widely adopted measure.¹¹ It is important to recognise the role of agricultural policy in any changes made to the EIP and reinforce the links between the design of ELMs and regulatory measures, so that there is confidence that targets can be met.

Greater participation in forward planning and policy analysis would help to broaden what has often been a rather hidden process to external stakeholders. This could be further enhanced by commissioning and publishing independent monitoring and evaluation reports to inform both the public debate and the more formal post implementation review of the Agriculture Act.¹²

Public interest in agricultural policy in the UK has perhaps attracted greater public scrutiny and debate since Brexit; it deserves even more.

Endnotes

- ¹ Department for Environment, Food and Rural Affairs (Defra), February 2018, Health and harmony: the future for food, farming and the environment in a Green Brexit
- ² Defra, 16 June 2025, Spending Review 2025: a commitment to farming
- ³ Defra, 18 June 2025, statutory guidance, ‘Enforcing the Farming Rules for Water’
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- ⁸ Defra, 12 March 2025, Update on the farming budget
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- ¹² Written parliamentary answer UIN HL1525, 22 January 2024

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Legislation and Governance Unit

This unit, run by Green Alliance, is a unique hub, offering expert knowledge sharing and detailed analysis of legislative and policy changes relevant to the environment. It monitors and influences environmental legislation, regulation and governance and provides detailed advice and responses to parliamentarians, government officials and the environment sector.

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