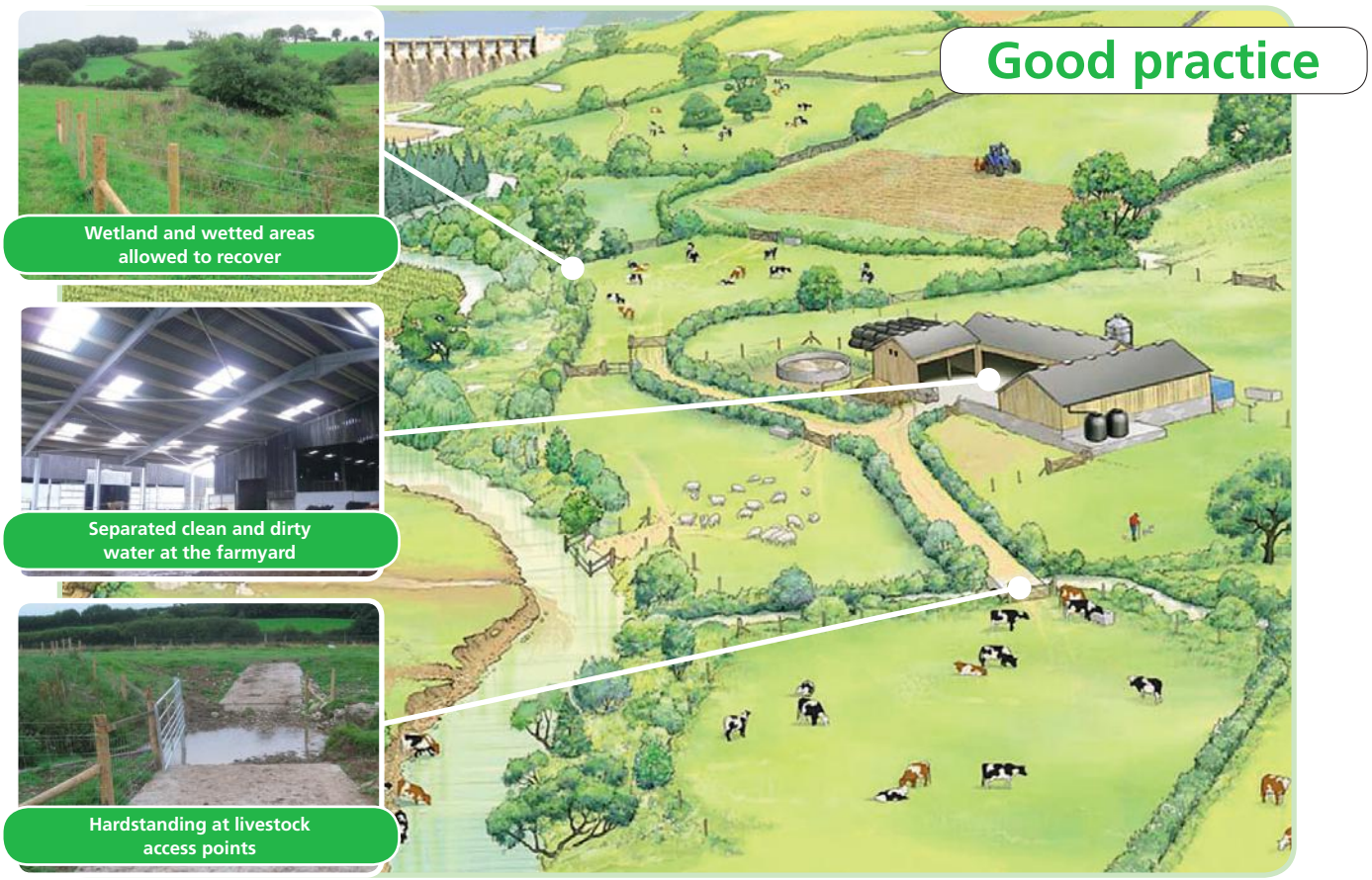
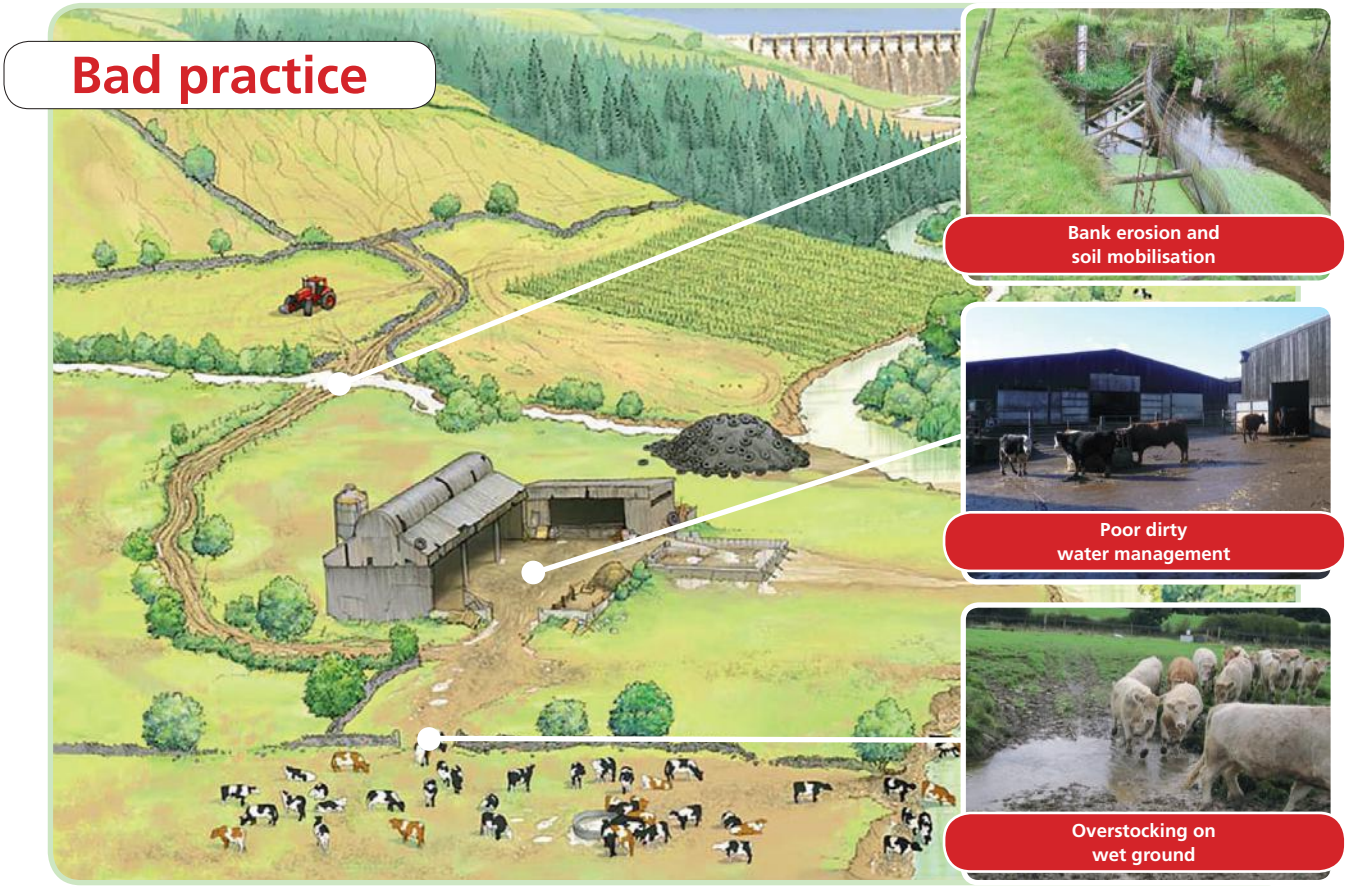
WATER UK

CAP Reform

A future for farming and water





Credit: Upstream Thinking Project - Westcountry Rivers Trust and South West Water

Why does the water industry have a view on CAP reform?

- Sources of public water supply are adversely affected by agriculture, particularly in terms of high levels of nitrate and pesticides in the water.
- Water companies have to ensure that the water they supply to customers complies with the drinking water standards. To do this they have traditionally built treatment plants to remove the pollution from the water. These plants are expensive to build and operate, both in cash and carbon terms.
- The water industry is trying to take a new approach, a catchment approach. The industry is involved in more than 100 schemes which aim to work with farmers and the environment to provide improved water quality. Many of these schemes have produced a plethora of other environmental benefits – for example, reduced flood risk, better soil quality, more sustainable agriculture and improved understanding of pollution risks.
- In working on these schemes, we have collected unique experience of how ecosystem services can actually be delivered – our role was recognised in the Natural Environment White Paper.
- Some of these schemes have been made viable through accessing CAP support, but many have happened despite, rather than because of, the assistance available. We believe that much more could be done to protect water quality, the environment and sustainable agriculture through re-framing the CAP, with an ambition to provide good water, air and soil quality at its heart.
- We believe that the passage of the current CAP reform proposals through the European Parliament in the coming months presents a unique opportunity to change the way the CAP is framed. If the CAP stays the same, it will be increasingly difficult to build on the good work of current catchment management schemes.
- We feel we are exceptionally well placed to consider the benefits to the UK environment and economy that a reform of CAP could bring.
- We strongly advocate a process which provide funds for farmers to make changes in the way they manage the land, beyond good agricultural practice, to help ensure that drinking water supplies are protected from agricultural pollution. In particular the scheme would support measures that avoid the need to construct new treatment plants to ensure compliance with the Drinking Water standards.
- We would welcome reform which would allow CAP funding to be used to support bathing waters and shellfish-rich ecosystems. This could not only bring water quality benefits, it could also support the UK's WFD objectives.

1 Delivering ecosystem services – supporting clean air, good water quality and good soil condition

In the Natural Environment White Paper, the government said

> "The Government wants this to be the first generation to leave the natural environment of England in a better state than it inherited. To achieve so much means taking action across sectors rather than treating environmental concerns in isolation… We will mainstream the value of nature across our society by:
>
> - facilitating greater local action to protect and improve nature;
> - creating a green economy, in which economic growth and the health of our natural resources sustain each other, and markets, business and Government better reflect the value of nature;
> - strengthening the connections between people and nature to the benefit of both; and
> - showing leadership in the European Union and internationally, to protect and enhance natural assets globally"

As that document recognised, the water industry is the second largest investor in the environment. We are already supporting many schemes across the country which support these aims, providing huge economic and environmental benefits.

Current CAP funding, however, does not place enough emphasis on what we believe are the building blocks of a healthy environment, namely, clean air, good water quality and good soil condition. Points for ELS and HLS schemes tend to be awarded for schemes to support specific species or genii. However, returning to the "basics" would give greater benefits for the money available, for example, clean, safe abstraction, reduced costs to farmers and a resilient agricultural system. A reformed CAP could deliver the objectives of the Natural Environment White Paper cost-effectively.

EXAMPLE SCaMP, United Utilities' Sustainable Catchment Management Project, is working with UU's tenant farmers to maximise water quality, biodiversity and farm income benefits on UU owned drinking water catchment land. This is being achieved in part by entering new or enhanced agri-environment schemes. However CAP incentives are not sufficient to secure farmer buy in to protect water quality due to lack of targeting on resource protection. Thus UU is investing 20 million pounds of customers' money to fund additional works on the ground and incentivise farmers to protect water quality. SCaMP is demonstrating how targeted interventions can achieve multiple ecosystem benefits such as improved water quality alongside securing viable rural communities, improving biodiversity habitats and protecting iconic landscapes. CAP needs to be better targeted both geographically and on resource protection measures to address water quality issues at source on drinking water catchments.

2 Delivery of WFD

The Water Framework Directive charges all EU member states to maintain good status for ground and surface water bodies, and to ensure there is not deterioration of quality.

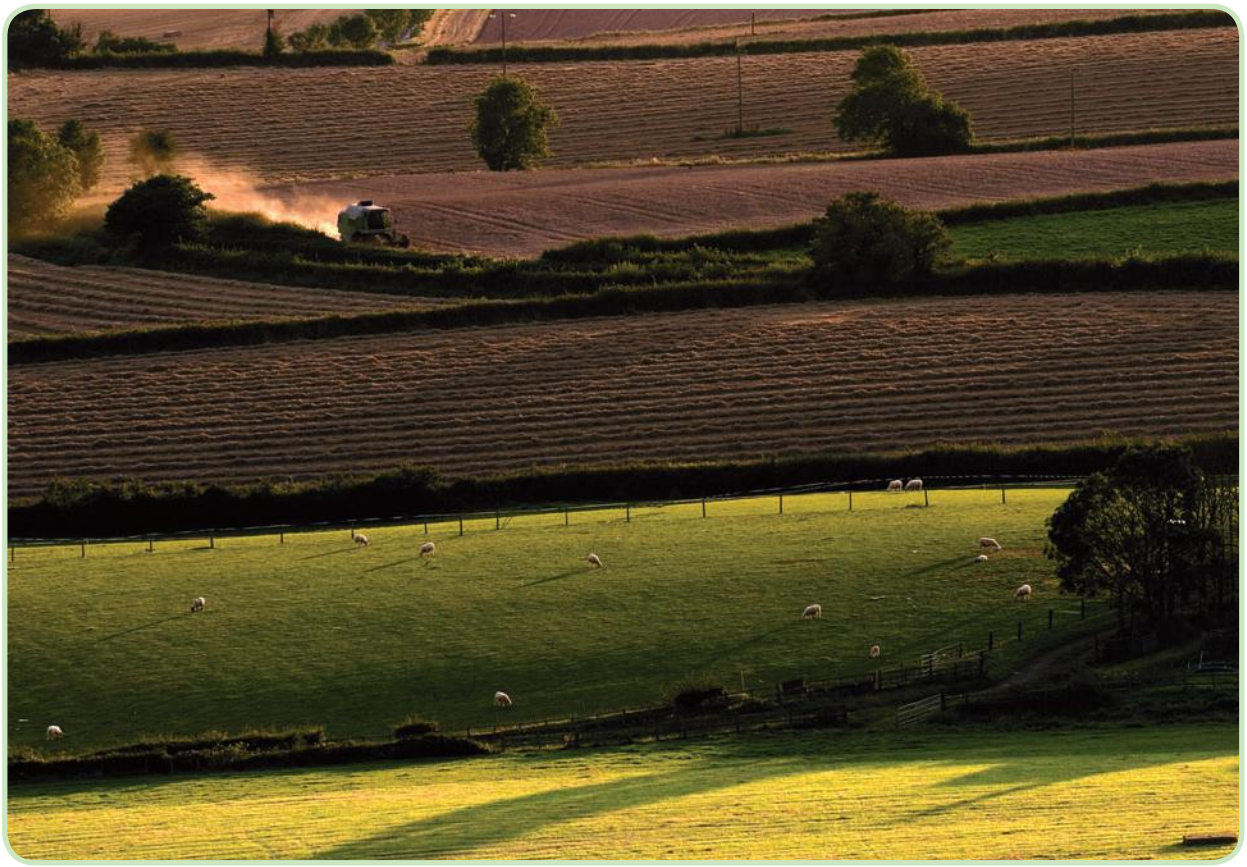
Article 7 requires that drinking water resources are protected to ensure that the treatment required to meet the drinking water directive requirements is minimised. Pollution from agriculture such as nitrates and pesticides is not removed by conventional water treatment-additional expenditure is therefore needed.

Article 9 sets out that costs should be recovered on the basis of the "polluter pays principle". However, we believe that this maxim has essentially broken down. The agricultural sector is responsible for 2/3 of the pollution [as defined within the WFD] but provides only a tenth of a percent of the funding to clear it up.

However, some farmers on very low marginal incomes do not have the finances to make the considerable investment needed to comply with the WFD. We believe that using CAP funding to provide a public good, in this case a cleaner environment and better water quality, is a demonstrably positive use of public funds.

EXAMPLE Wessex: At a groundwater source in Dorset Wessex Water was experiencing occasional high levels of pesticides as a result of spraying on fields close to the boreholes. Rather than building a treatment plant to remove the pesticides Wessex Water has entered into an agreement whereby the company pays the farmer not to spray pesticides on these fields. Wessex Water has also contributed to the farm improving its pesticide storage and handling facilities. These financial contributions should really have come from CAP money, not money from water companies and their customers.

3 Sustainable agriculture



Cheap food has its consequences. Not tackling agricultural pollution will result in rural land use that will not, ultimately, deliver sustainable agriculture in the long term, and a water industry with a heavy financial burden.

We believe that, in using CAP support to deliver WFD objectives, it will also support sustainable agriculture, environmentally safe and self-contained, which will be more resilient to the extreme economic pressures of a globalised marketplace.

4 Prevention of urban flooding downstream

Over the centuries, farmers have tried to take boggy uplands and turn them into arable land, through drainage and other forms of land management. But speeding up the natural progress of the water has had unwelcome consequences, After rain, sediment is carried from the uplands, clogging reservoirs and rivers and increasing the chance of flooding to communities downstream. One of the benefits of restoring these uplands to their natural state is that this water slows down, and the sediment is retained where it should be. Catchment management projects are on the whole small schemes, costing a fraction of the cost of engineered solutions.

EXAMPLE South West Water's Upstream Thinking programme is restoring the water retaining capability of 2,000ha of Exmoor between 2010 and 2015, benefiting 3,000ha of land designated as a Site of Special Scientific Interest. Water run-off from the restored land is slower, predictable and cleaner. The restored peat captures and stores carbon dioxide through the production of sphagnum moss. The delayed release of water helps to avoid erosion and flooding. The water stored on the moor can become the equivalent of a major reservoir at only one tenth of the cost, and provides a renewable resource to benefit water customers and biodiversity across the restored moorland and in the downstream river system. South West Water are confident that communities downstream could benefit from increased flood resilience as a result of this project.

Water UK
1 Queen Anne's Gate
London SW1H 9BT

www.water.org.uk