

# Foreword

Farming in England is without doubt starting a transition which will affect almost every business in the sector regardless of size, location or the products they are producing. Any change will bring with it an equal measure of challenge and opportunity but none more so, we suspect, than in the area of where farming and finance meet environmental delivery.

Farmers have always been the custodians of the countryside, but often delivery of environmental goods, such as carbon sequestration, biodiversity, flood alleviation or water quality have been seen as beneficial extras to the farming sector's central focus of food production. Today, however, we are seeing a change that we believe will, in time, place these environmental outputs on an almost equal financial footing with the other farming products.

This is an incredibly exciting vision which we feel farmers, the agrifood sector, financial institutions and politicians must boldly embrace if we are to deliver a win for both the economy and the environment. However, we are also seeing a challenge in how to accelerate these opportunities and we hope this report will go some way to unleashing these opportunities for British farmers and for the wider private sector who want to support farming in this transition. As one farmer shared with us during this work: "In ten years' time I can see an exciting new line in my profit and loss accounts that I didn't even know existed ten years ago."

This opportunity can only be unlocked if we identify solutions to barriers that currently exist in this transition today. One of the key obstacles underpinning this area is confidence. Banks and lenders have an appetite to support the sector to survive and thrive, but there is a need to help build confidence and certainty among farmers and growers to invest and borrow. This confidence is needed even more in light of pressure on farmers from agri-inflation. A second and related obstacle is trust – either between farmers and the private sector – or, more importantly, a lack of trust in the entire area of monetising environmental outcomes. We believe the key to solving this challenge is through transparency in standards, data, monitoring and

reporting, and embracing a different culture than the one that exists in many aspects of the food supply chain today – one which has often been underpinned by a perceived lack of fairness when it comes to how farmers are treated.

A huge opportunity for both the deliverers and funders of environmental outcomes lies also in collaboration. At a farm level, we have seen great examples of cluster groups coming together and delivering for both nature and for farmers at scale. The long-term benefits of collaboration have the potential to stretch way beyond any one project and into many other areas of agricultural transition, from productivity improvements to the mental wellbeing of farming communities. This collaboration, built on trust, now needs to be extended across the supply chain.

Too often the environment and food production has been seen as a binary choice for farmers. We have seen, however, throughout the many conversations that have resulted in this final report that – with a bold vision, with the right relationships and with the support of all those involved – this view is unfounded. We firmly believe in the delivery of food and environmental restoration through the sharing of land and would ask everyone reading our recommendations to remove any preconceived ideas that farmers and farming can only produce one outcome on one piece of land. Delivery of multiple outcomes, which will vary from farm to farm and field to field, has the potential to unlock an exciting future for UK agriculture, but the key is for farmers, financiers, supply chain partners and politicians to embrace the opportunities and manage the threats.

Signed,  
**Stuart Roberts and Mark Suthern**