

## A monthly briefing for UK farmers - February 2020

- The **Agriculture Bill** returned to Parliament on 16<sup>th</sup> January. This will set the framework for agricultural policy in England for the foreseeable future. The legislation is largely the same as in the original Agriculture Bill published in September 2018 – which ‘fell’ with the end of the previous Parliament prior to the General Election. Generally, it gives Ministers broad powers to undertake certain activities, without necessarily setting out in any detail how those powers might be used. A Policy Statement, similar to that which was published alongside the original Bill, was expected this time too. It might have provided more information on matters of detail. However, it has not yet appeared – it may be published when the Bill enters the Committee stage in Parliament. *One point that can be taken from the Bill is the Agricultural Transition **will** happen, and looks certain to begin in 2021 – the NFU had been calling for a year’s delay. Therefore, the BPS will start being reduced from next year.*
- The Government has announced the **2020 BPS** will be fully-funded at 2019 levels. In addition, it has also reiterated its Election promise to ‘match the current budget available to farmers in every year of this Parliament’ (due to end in 2024). *Importantly, this simply guarantees the ‘pot’ of money (presumably at current prices rather than in real terms). It does not mean the BPS will remain at the same level in England. Budgets for 2020 can use 2019 payment levels, but funds will gradually be diverted away from the BPS during the 7 year Transition (starting in 2021) to fund the Environmental Land Management (ELM) scheme. The funding guarantee applies across the UK, so the devolved administrations also know how much money they have when designing their support systems.*
- After 47 years and a month of being a Member State, the **UK formally exited the European Union** at 11pm (midnight CET) on the 31<sup>st</sup> January. Whether it actually signifies the delivery of the promise to ‘get Brexit done’ is another matter. There is much to be decided as the 2nd leg of the negotiations on the Future Relationship take centre stage. *For agriculture, what we do know is that until the end of the year at least, the UK will enter a Transition Period where its trading relationship with the EU will remain effectively the same.*
- It is now possible for English farmers to **transfer land and/or entitlements** in preparation for this year’s BPS claim via the online system. In order for entitlements to be available for the 2020 BPS claim they must be transferred to the correct business by midnight on 15<sup>th</sup> May 2020.
- The **Countryside Stewardship** (England) Regulations 2020 have been published. This will allow applications to be made to the scheme under our own domestic legislation now we have left the EU. The application window is expected to open in February. *With the new Environmental Land Management (ELM) scheme not expected to be available for a few years yet, and the BPS transition period starting in 2021, land managers may want to look at what the Countryside Stewardship can offer.*
- Claims for Round 2 of the **Countryside Productivity Small Grant** can be submitted now, the deadline for submissions is 31<sup>st</sup> May 2020. Make sure claims include all the information and evidence required as detailed in the CPSG Round 2 Handbook otherwise payments will be delayed.
- We have had a few inquiries whether the **three crop rule under Greening** will be relaxed because of the wet weather. It does not appear that there will be a ‘blanket’ relaxation. RPA has released guidance, see <https://www.gov.uk/guidance/claiming-bps-2020-and-greening-payments-in-extreme-weather>. In the main, it simply reiterates the different ways claimants can meet their crop diversification requirement. *If you think you may have difficulty meeting the 3 crop rule contact one of our consultants.*
- The **Glastir Entry and Advanced Support Scheme**, is available to those whose 2019 claim will not be fully processed by the opening of the payment window (31<sup>st</sup> January). The scheme will pay up to 50% of the anticipated Glastir Entry & Advanced claim value (excluding capital works). This is an opt-in scheme which means claimants need to apply by 14<sup>th</sup> February 2020 if they wish to receive a support payment. Payments under the scheme are expected to start during the week commencing 24<sup>th</sup> February.
- The application period to **transfer or lease entitlements in Wales** is now open. The deadline for applications is 30<sup>th</sup> April 2020 for entitlements to be in place for the 2020 BPS claim.
- The **Farm Business Grant** in Wales will open from 2<sup>nd</sup> March to 10<sup>th</sup> April. Farmers can choose from about 80 items which have been deemed to improve the competitiveness of their business and also make it more environmentally friendly. Grants of between £3,000 and £12,000 are available.

## Land Use: Policies for Net Zero

The way land is used in the UK will have to see a 'transformation' if the country is to meet its target of Net Zero emissions by 2050. This is the conclusion of the Committee on Climate Change (CCC), the Government's independent advisors on climate change, in their first ever report into land use which was published on the 23<sup>rd</sup> January. As the dominant user of land in the British Isles, farming would be at the forefront of these changes. The key recommendations in the report for farming, and the wider food sector and consumers are;

- **Low-carbon Farming Practices:** such as controlled release fertilisers, improving livestock health, and slurry management
- **Afforestation and Agro-forestry:** increasing UK forestry cover from 13% to at least 17% by 2050 by planting around 30,000 hectares or more of broadleaf and conifer woodland each year. In addition, 2% of the agricultural area should be devoted to agro-forestry (planting trees, whilst maintaining the agricultural use). Additional hedgerow planting is also recommended.
- **Peatlands:** restoring at least 50% of upland peat and 25% of lowland peat. This equates to 7% of the UK's land area. *Although there might be some agricultural production, it is likely to be very low intensity grazing at best.*
- **Bio-energy Crops:** increase the growing of energy crops by around 23,000 hectares each year so that by 2050 they comprise 3% of total land use. *The report states that energy crops are faster growing than new woodland, but also cautions that the negative impacts of energy crops need to be managed.*
- **Reducing Meat and Milk Consumption:** (i.e. beef, lamb and dairy) by at least 20% per person. *The report implicitly recognises that this might be the most contentious recommendation. It states that such a reduction would bring consumption within healthy eating guidelines, and can drive sufficient release of land to support the proposed changes in tree planting and bioenergy crops. It calculates that, alongside expected population growth, it requires around a 10% reduction in cattle and sheep numbers by 2050 compared with 2017 levels. Then the report points out that this compares with a reduction of around 20% in numbers over the past two decades.*
- **Reducing Food Waste:** the 13.6m tonnes of food waste produced annually should be reduced by 20%.

In terms of how to achieve this shift, the report suggests there should be a mix of legislation, public funding and better information, advice and training. With regards to legislation, this might include regulating enteric fermentation from livestock and steps such as a change in the diet of cattle to reduce methane emissions. The report suggests public funding should be used to incentivise farmers to plant trees and take up lower-carbon farming practices as well as for non-carbon benefits such as helping to prevent floods and for recreational purposes. In respect of changing diets, it suggests the first stage should be relatively 'soft' through persuading consumers and the wider food chain to make changes. A second stage of regulation or pricing needs to be considered if this does not work.

The report recognises reducing emissions should not be done by producing less food in the UK and increasing imports, it goes on to state that the UK is a 'relatively low-greenhouse gas producer of ruminant meat'. The report outlines methane emissions are a key factor for the farming sector (unlike most other sectors, where CO<sub>2</sub> is the biggest issue). It also addresses how methane emissions are assessed, and equated to CO<sub>2</sub> – there is increasing debate on this subject.

*Methane has a far greater global warming effect than CO<sub>2</sub>. However, CO<sub>2</sub> emissions raise the concentrations in the atmosphere for thousands of years, whilst methane has mostly disappeared after approximately 12 years. It is argued methane-induced warming is dependent on whether the emissions are sustained or new emissions. Like much in the climate change sphere, it seems the measurement and statistics are open to interpretation, without an agreed methodology. This may provide some comfort to the livestock sector that it is not as bad as it has been painted. However, it would be dangerous to cling to this too closely as a reason to continue unchanged. Society will expect farming to do its bit and many of the policies outlined in the CCC report will be part of that change.*

For further information please visit our website:

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