

INTRODUCTION

Post-Brexit farm policy in England is based on a radical change in support. Direct aid in the form of the Basic Payment Scheme (BPS) is being phased-out over the course of an 'Agricultural Transition' through to 2027. It will be replaced by payments for 'public goods' – services that agriculture can provide to society that are not delivered by the market.

ELM OBJECTIVES

Many of the objectives of ELM are familiar from previous agri-environment schemes, but there are new elements such as climate change, air quality and hazard protection. *The wider scope of the scheme should mean more opportunities to enter for those businesses that have not found agri-environment schemes attractive in the past.*

The six objectives of ELM are as follows;

- **Clean Air:** reducing ammonia and particulates
- **Clean & Plentiful Water:** limiting nitrogen and phosphate pollution, lowering sediments, ground and surface water protection
- **Thriving Plants and Wildlife:** habitats, species, protected sites
- **Hazard Protection:** flooding, coastal erosion, droughts
- **Beauty, Heritage & Engagement:** landscapes, cultural heritage, public access, education, health
- **Climate Change:** reducing greenhouse gas emissions, carbon capture, resilience to climate change

SUSTAINABLE FARMING INCENTIVE (SFI)

The SFI will be rolled-out from June 2022 with no application deadline. It is the 'entry-level' component of ELM and is intended to be a scheme that is relatively easy to get into.

Actions will be grouped into packages called **Standards**. There will be different ambition **Levels** – Introductory, Intermediate and Advanced. The higher the Level chosen, the greater the payment. The Levels build on one another – each one includes the actions from the previous Level.

Applications and administration of the scheme will be carried-out online through Rural Payments. A pilot Scheme is already running.

In 2022 SFI will offer the following Standards;

- Arable & Horticultural Soils Standard
- Improved Grassland Soils Standard
- Moorland & Rough Grazing Standard
- Annual Health & Welfare Review (the first element of the Animal Health and Welfare Pathway)

A summary of payments and actions required are overleaf.

ENVIRONMENTAL LAND MANAGEMENT (ELM)

A new Environmental Land Management (ELM) scheme will replace the BPS. This will put into practice the principle of 'public money for public goods' i.e. it will pay land managers to undertake actions that are not valued in the market, but are beneficial to society. The scheme is voluntary, furthermore those wishing to take part can decide at which level.

ELM DESIGN

ELM has three components;

- The **Sustainable Farming Incentive (SFI)** - a broad offer that should be accessible to most farms. The scheme is designed to run alongside commercial farming operations.
- **Local Nature Recovery (LNR)** scheme - requiring more intensive management from farmers than the SFI. Payment will be made for actions that support local nature recovery and deliver local environmental outcomes. Collaboration between farmers will be encouraged
- **Landscape Recovery (LR)** scheme - aims to get groups of landowners to work together to deliver landscape and ecosystem recovery, such as large-scale woodland planting, peatland restoration and salt marshes. It is only likely to be relevant to a small number of farms

Until the new schemes are fully rolled out, the current Countryside Stewardship scheme will remain open. Final applications will be in 2023. It is also possible to extend HLS agreements.

The SFI 2022 will be open to those in receipt of the BPS, including those with an existing CS agreement. Agreements will be for 3-years, with payments made quarterly in arrears. The first payment will be made three months after the start date. Agreements can be reviewed each year, but 'upwards' only i.e. increased area or ambition level. Standards can be chosen on a parcel-by-parcel basis, the whole farm does not have to be entered.

Further Standards will be added over the next three years. Defra has set out the following timetable (*although this may be subject to change*);

- **2023:** Nutrient Management; Integrated Pest Management; Hedgerows
- **2024:** Agroforestry; Low & No Input Grassland; Moorland & Rough Grazing (*all levels*); Water Body Buffering; Farmland Biodiversity
- **2025:** Organic Farming; On-farm Woodland; Orchards & Specialist Horticulture; Heritage; Dry Stone Walls

ARABLE AND HORTICULTURAL SOILS STANDARDS (as at March 2022)

Level	Payment per Ha	Summary of Actions
Introductory	£22	Test soil organic matter (within last 5 years, or in first year of agreement). Undertake a soil assessment and produce a management plan (<i>in first year of agreement and then update annually</i>). Have 70% of land entered into Standard with winter (<i>Dec to Feb</i>) cover. Increase organic matter on all land over the course of the three-year agreement (<i>cover crops, straw, manure etc.</i>)
Intermediate	£40	All of the above, plus - of the 70% winter cover, 20% of land must be in multi-species green cover
Advanced	tbc	<i>From 2023, but likely to include min-till requirement</i>

IMPROVED GRASSLAND SOILS STANDARDS (as at March 2022)

Level	Payment per Ha	Summary of Actions
Introductory	£28	Test soil organic matter (as arable, above). Undertake a soil assessment and produce a management plan (as arable, above). Have 95% green cover over winter (<5% bare).
Intermediate	£58	All of the above, plus - have 15% of the land in the Standard planted to herbal leys (mix of grasses, legumes, herbs and wildflowers)
Advanced	tbc	<i>From 2023</i>

MOORLAND & ROUGH GRAZING STANDARD (as at March 2022)

Level	Payment per Ha	Summary of Actions
Introductory	£265 + £10.30 per Ha	Verify and record soil types (inc. peat) and associated vegetation (one sample per 10 Ha). Evaluate public goods potential of moorland (and update annually). Identify opportunities to enhance public goods
Interm. & Advanced		<i>From 2024</i>

Common Land entered into an SFI Standards agreement will receive an additional £6.15 per Ha

ANIMAL HEALTH & WELFARE PATHWAY

The **Annual Health and Welfare Review** is the initial phase of the Animal Health and Welfare Pathway and will be available through SFI 2022. It will involve a Defra-funded yearly visit from your own vet. It is initially planned to be available for three years to BPS claimants with a minimum of 50 pigs, 20 sheep or 10 cattle. Payments will be; Pigs - £684; Beef - £522; Sheep - £436; Dairy - £372.

Animal Health and Welfare Grants will be available late 2022. Farmers' vets will be able to 'sign-post' to capital grants including smaller grants from a set list of equipment and technology items or larger grants for bespoke infrastructure projects, including new housing, upgrades or pasture improvements.

COUNTRYSIDE STEWARDSHIP

Until ELM is fully launched in 2024, the Countryside Stewardship (CS) scheme will remain open to new applications. The last application window will be in 2023 for a 1st January 2024 start date. Existing HLS and CS agreements that are coming to an end can be rolled-over until ELM begins.

Those who enter a CS agreement from 2021 onwards will be able to end their agreement, at agreed points, where they have secured a place in ELM.

Inspections and compliance will be simplified. A new (£60,000) standalone Capital Grants offer has replaced the Hedgerows & Boundaries Grant Scheme to include measures which will address air quality (ammonia) and flooding – now open all-year round.

For further information please visit our website

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HOW CAN ANDERSONS HELP?

The next decade will see a significant change in the support landscape as we transition to ELM. It will not be as 'simple' as claiming for the BPS and payment rates will depend on the level of involvement a business decides to undertake. At Andersons we are at the forefront of changes in policy and we also understand how real-world farming operates. We are here to help businesses navigate through the new policy and thrive in the post-CAP landscape.

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