

A Monthly Briefing for UK Farmers – February 2023

- The legally binding **environmental targets**, as required under the 2021 Environment Act, have finally been published after Defra missed the statutory deadline of 31st October. A Ministerial Statement to the House of Lords sets out 13 targets in several areas. The targets relate to; Biodiversity & Woodland, Water Quality & Availability, and Waste & Air Quality. Full details can be found at www.gov.uk/government/news/new-legally-binding-environment-targets-set-out. Although not all are directly relevant to agriculture, some of these targets will affect farming. Now these legal targets are in place the Government has a duty to enact policies to achieve them. The roadmap for how this is to be done will be included in the Environmental Improvement Plan (EIP). This has just been published and we will report on it in next month's Briefing.
- A new **business energy support scheme** will replace the existing one when it ends. The new Energy Bills Discount Scheme (EBDS) will be available for all non-domestic consumers in Great Britain and Northern Ireland and will run from 1st April to 31st March 2024. It will not be as generous as the current one. Non-domestic users will receive a unit discount of up to £6.97 per MWh to their gas bill and a unit discount of up to £19.61 per MWh to their electricity bill above a threshold of £107 per MWh for gas and £302 per MWh of electricity. The support should automatically be applied to bills by the energy supplier.
- The window for **2023 BPS applications in England** will open on Tuesday 14th March. The closing date will be the 15th May. Delinking will take place in 2024 which means the 2023 claim will be the last 'classic' BPS application. The delinked payment will be based on average BPS claims for the three years 2020, 2021 and 2022. Those that have given up land since then will still be eligible for the delinked BPS through to 2027 if a minimum claim (5 Ha) is made this year.
- The **Welsh Government** has published its Winter Update, which can be found online at <https://www.gov.wales/sites/default/files/publications/2022-11/agriculture-winter-update-2022.pdf>. This is a document updating land managers on a variety of rural topics including scheme opening dates (see table below), the

Sustainable Farming Scheme, wages, EIDCymru, Farming Connect, animal health and welfare etc

Welsh Rural Development Support 2022-2024 – source Welsh Government		
Scheme	EOI Opening Date	EOI Closing Date
Small Grants:		
Environment – New hedges	9 th Jan 2023	17 th Feb 2023
Environment - Carbon	22 nd May 2023	30 th June 2023
Efficiency	16 th Jan 2023	24 th Feb 2023
Yard Coverings	26 th June 2023	4 th August 2023
Woodlands:		
Creation	13 th Feb 2023	24 th March 2023
Restoration	16 th Dec 2022	2 nd Feb 2023
Horticulture:		
Development	5 th Dec 2022	10 th March 2023
Start-up	11 th April 2023	20 th May 2023

- **ABP** recently launched its **PRISM 2030 Programme** which Andersons is involved with. Places are limited, only 350 available. Its' aim is to help participants to improve their carbon footprint and sustainability across the farm. A grant scheme will be available in the spring for signed up participants. If you supply ABP and would like to find out more information about joining PRISM 2030, please contact **Katie Thorley** via info@prism2030.com or call **07977 061664**.
- The latest **agricultural rents** data for England shows a mixed picture. Following a rise in the overall average rent in 2020, the All Farms rent in 2021 has fallen back to 2019 levels. The table below shows a summary of the last 3-years. Due to the time taken to collect the data, Defra's Farm Rents publication is somewhat historic. The figures just published are for the 2021/22 year, March to February, (shown as '2021' in the table below). *Data on rents can fluctuate annually and one year's information should not really be taken in isolation. In general, rents have been on an upward trend, but as the BPS is phased-out, then overall rents may fall.*

Farm Rents in England – source DEFRA						
£ per Ha	Full Agric. Tenancy			Farm Bus. Tenancy		
	2019	2020	2021	2019	2020	2021
Cereals	204	225	207	263	261	257
General Cropping	224	215	184	298	367	313
Dairy	205	197	199	271	283	281
Cattle & Sheep (LFA)	63	61	71	79	81	87
Cattle & Sheep (L/L)	181	193	198	128	166	134
All Farms	177	185	177	222	239	225

Environmental Land Management – More Detail

Defra has published further details of Environmental Land Management (ELM). It includes new SFI Standards, changes to the Countryside Stewardship (CS) scheme and details of a further round of the Landscape Recovery (LR) scheme.

The details were announced in a comprehensive 'Policy Paper' – *Environmental Land Management Update: how Government will pay for land-based environment and climate goods and services*. This can be found at <https://www.gov.uk/government/publications/environmental-land-management-update-how-government-will-pay-for-land-based-environment-and-climate-goods-and-services/environmental-land-management-elm-update-how-government-will-pay-for-land-based-environment-and-climate-goods-and-services>

Sustainable Farming Incentive (SFI)

Six new Standards will be available under SFI this year. These will be in *addition* to the existing three made available in 2022. The new Standards are no longer structured by Levels (Introductory, Intermediate etc.) – the thought being this gives land managers more flexibility to pick and choose. Those already participating in SFI can add these Standards and also more land. No specific date has been given for when they will be available but it is stated to be from 'this summer'. The table includes a summary of the required actions and payment rates for each standard.

Announced earlier in the month was the new *SFI Management Payment*. This will be £20 per hectare for up to 50 hectares of land entered into the scheme per annum i.e. agreement holders will receive up to a maximum of £1,000 per year via this payment. The SFI Management Payment will apply to new agreements and also those already participating. As SFI expands each year, Defra will be introducing more Standards and actions incrementally, with the full set planned to be in place by the start of 2025.

Countryside Stewardship

An enhanced version of Countryside Stewardship will now form the second tier of ELM, replacing the previously planned Local Nature Recovery. CS Plus will be available from 2024, further details along with payment rates are expected to be published later this year. In the meantime the next round of 'classic' Countryside Stewardship Higher-Tier will open in February, with Mid-Tier following in March for agreements starting on 1st January 2024.

As SFI and CS Plus evolve over the next two years, Defra aims to offer them in a single 'integrated service'. Applicants will be able to select a combination of actions from both schemes.

Defra has announced an update to both revenue and capital payments under the CS. The new revenue rates will be introduced for all new *and existing* Mid-Tier and Higher Tier agreements as from 1st January 2023. The majority of payment rates have increased, none have been reduced, with about 20 remaining unchanged.

Sustainable Farming Incentive (SFI) 2023 – source Defra as at Jan 2023	
Payment	Actions
Hedgerows	
£3 per 100m – one side	Assess and record hedgerow condition
£10 per 100m – one side	Manage hedgerows so there's a range of different heights and widths
£10 per 100m - both sides	Maintain existing hedgerow trees, or establish new, to ensure an average of at least 1 hedgerow tree per 100m
Integrated Pest Management	
£989 per year	Complete an integrated pest management (IPM) assessment and produce an IPM plan
£673 per Ha	Establish and maintain flower-rich grass margins, blocks, or in-field strips
£55 per Ha	Establish a companion crop
£45 per Ha	No use of insecticide
Nutrient Management	
£589 per year	Complete a nutrient management (NM) assessment and produce an NM review report
£102 per Ha	Establish and maintain legumes
£593 per Ha	Establish and maintain legume fallow
Arable and Horticultural Land	
£614 per Ha	Establish and maintain blocks or strips of pollen and nectar flower mix
£732 per Ha	Establish and maintain blocks or strips of winter bird food
£590 per Ha	Establish and maintain grassy field corners and blocks
£451 per Ha	Establish and maintain a 4m-12m buffer strip on arable and horticultural land
Improved Grassland	
£333 per Ha	Take grassland field corners and blocks out of management
£474 per Ha	Maintain improved grassland to provide winter bird food
£235 per ha	Establish and maintain a 4m-12m buffer strip on grassland
Low Input Grassland	
£151 per Ha (indicative)	Manage grassland with very low nutrient inputs (outside SDAs)
£98 per Ha (indicative)	Manage grassland with very low nutrient inputs (SDAs)

The new capital rates will apply only to new agreements from the 1st January 2023 onwards. As well as capital items being available within CS Higher and Mid Tier agreements, there is also a stand-alone CS Capital Grants scheme. This has reopened after a brief pause. Applications to the stand alone CS Capital Grants scheme can now be made all year round and you have 3-years to complete the works. The scheme offers support under 4-themes:

- Boundaries, trees and orchards
- Water quality
- Air quality
- Flood management (new for 2023)

£20,000 of grant is available under each of the themes. If you are considering any capital works this year contact one of consultants to see if you could be eligible for a grant towards it. The full guidance can be found at <https://www.gov.uk/government/publications/capital-grants-2023-countryside-stewardship/applicants-guide-capital-grants-2023>.

Landscape Recovery

This is the third element of ELM. It supports 'ambitious' large-scale nature recovery projects. A pilot opened last year and, following high demand, Defra has confirmed a second round will open in the spring of 2023 and a further round in spring 2024. The second round will take up to 25 projects and will focus on net zero, protected sites and habitat creation. Further details are expected soon.

Although we are still awaiting some of the practical details, this announcement does provide us with more clarity on what and how much the ELM schemes are going to offer. By 2028 the BPS will have completely disappeared in England. The introduction of ELM heralds a change in the economics of farm support. The BPS just arrived 'as of right' and took little effort to gather, either in time (a well-understood yearly application), management effort (no real decision on whether to apply or not) or cost (minimal impact on farming systems). ELM changes all of this. Each farm should judge the merits of the scheme for their own circumstances.

Due to the limited options available (and the difficulty in building a remunerative scheme) initial uptake for SFI has been slow. With the introduction of Six more Standards and a 'Management Payment' to help with the time/costs of application, it remains to be seen whether this boosts take-up. Further Standards are planned for 2024 onwards. Most applicants have found the mechanics of the application easy. The complexity arises from working out how the SFI fits with the farm and particularly whether to go for SFI or Countryside Stewardship (CS) on a land parcel (the existence of CS 'Wildlife Offers' and Capital Grants further complicates things). If you need help in deciding which or whether to get involved in Environmental Land Management contact one of our [Consultancy Team](#) and they will be able to advise you.

If you require any further advice on anything covered in Farming Focus, please contact one of our [Consultancy Team](#)

For further information please visit our website:

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