



CHANGES TO FARM SUPPORT PAYMENTS OCTOBER 2021

The changes to farm support payments are set out in Defra's Farming is Changing leaflet and the latest information is at: <https://defrafarming.blog.gov.uk/2021/06/23/how-farming-is-changing/>. This briefing is a short summary of what we know about the schemes as at October 2021.



Farming is Changing



THE BASIC PAYMENT SCHEME

The Basic Payment Scheme (BPS) will be phased out over 7 years from 2021 to 2027.

For BPS payments of up to £30,000, the reduction will be 5% in 2021 rising to 20% in 2022 and then 50% by 2024. Payments above this threshold will be subject to higher reductions and all payments will cease by 2028.

Payment band	Scheme year			
	2021	2022	2023	2024
Up to £30,000	5%	20%	35%	50%
£30,000 - £50,000	10%	25%	40%	55%
£50,000 - £150,000	20%	35%	50%	65%
More than £150,000	25%	40%	55%	70%

In May 2021, Defra launched a consultation about offering farmers who want to exit the industry a one-off lump sum payment in 2022 and to 'delink' Direct Payments from land for all farmers from 2024. The consultation includes different options for a reference period to calculate the lump sum and delinked payments, the conditions that will be placed on the lump sum offer and a proposed cap of £100,000 on the payment. Farmers considering retiring, leaving the industry or who are passing the farm onto the next generation should read the full consultation as it may affect decisions taken this year. The consultation closed on 11th August and we are expecting further details this autumn.

ENVIRONMENTAL LAND MANAGEMENT SCHEMES

The Environment Land Management (ELM) schemes will eventually replace both BPS and Countryside Stewardship. It will pay for "public goods" including biodiversity, clean air and water, healthy soils, access, enhanced landscapes, reduction in pollution and measures to mitigate climate change. There are three levels: the Sustainable Farming Incentive which is aimed at all farmers, Local Nature Recovery and Landscape Recovery.

SUSTAINABLE FARMING INCENTIVE

Sustainable Farming Incentive Pilot

Last March, Defra published the first phase of its Sustainable Farming Incentive (SFI) pilot including information about payment rates. These have been set at a broadly equivalent level to rates under

Countryside Stewardship, but Defra says this is a starting position only and updated payment rates for the launch of the Scheme from 2022 are being developed.

Each standard has three levels: Introductory, Intermediate and Advanced with payment rates increasing depending on the level of management required.

Standard	Payment		
	Introductory	Intermediate	Advanced
Arable and horticultural: land	£28/hectare (ha)	£54/ha	£74/ha
Arable and horticultural: soils	£26/ha	£41/ha	£60/ha
Farm woodland	£49/ha	-	-
Hedgerows	£16/100 metre (m)	£21/100m	£24/100m
Improved grassland	£27/ha	£62/ha	£97/ha
Improved grassland: soils	£26/ha	£44/ha	£70/ha
Low and no input grassland	£22/ha	£89/ha	£110/ha
Water body buffering	£16/100m	£29/100m	£34/100m

Agreements will start in November 2021 and will last for 3 years with participants paid to provide feedback about the scheme.

SUSTAINABLE FARMING INCENTIVE 2022

Apart from farmers participating in the SFI Pilot, the core elements of the Sustainable Farming Incentive available in 2022 will be the:

- Arable and horticultural soils standard;
- Improved grassland soils standard;
- Moorland and rough grazing standard;
- Annual Health and Welfare Review.

The two Soils Standards will be at the same payment rates and levels as in the SFI Pilot. The moorland and rough grazing standards are still being developed but we are expecting that farmers will be paid to undertake actions to assess the range of habitats and features on their moorland and its management.

The Annual Health and Welfare Review will be the first step on the Animal Health and Welfare Pathway. Defra will fund an annual visit from a vet with the review recommending actions to improve livestock health and welfare and signposting upcoming grants. Testing will initially focus on priority diseases including Bovine Viral Diarrhoea (BVD) in cattle and testing for anthelmintic resistance in sheep. Payments will be made to the farmer to cover the cost of vet time and tests. Payments are expected to range from approximately £269 to £775 depending on species and cost of testing.

We are expecting SFI 2022 to be open to farmers that have claimed BPS including those in existing Stewardship Schemes. Defra plans to open applications in the Spring of 2022.

LOCAL NATURE RECOVERY

The Local Nature Recovery scheme will pay for actions that support local nature recovery and meet local environmental priorities.

The scheme is likely to require collaboration between farmers and landowners on environmental management and restoration over a wider area. Examples might include: creating, managing and restoring habitats such as hay meadows, habitat for wading birds, woodland creation, Natural Flood Management features etc. There will be a national pilot in 2022 with the scheme rolled out from 2024.

LANDSCAPE RECOVERY

The Landscape Recovery scheme will involve the development of bespoke agreements for long term land use change, for example:

- large-scale forest and woodland creation, restoration and improvement;
- peatland restoration;
- the creation and restoration of coastal habitats such as wetlands and salt marsh.

The scheme will be tested with 10 large-scale projects starting in 2022 and will be launched in 2024.

OTHER SCHEMES

FARMING IN PROTECTED LANDSCAPES FUNDING

The Farming in Protected Landscapes programme was launched in July 2021. Support will be available over the next 3 years for farmers and land managers in AONBs and National Parks for projects that:

- Support nature recovery;
- mitigate the impacts of climate change;
- provide opportunities for people to discover, enjoy and understand the landscape and cultural heritage;
- support nature-friendly, sustainable farm businesses.

Examples of projects include: promoting connectivity between habitats, improving access, conserving historic features on farms, supporting locally branded food initiatives, action to reduce farm carbon emissions, gathering data to help inform conservation and farming practice and potentially farm diversification projects that fit with these aims. Note, this is a programme of funding for one-off projects, not an agri-environment scheme. Contact your local AONB or National Park for details.

FARMING INVESTMENT FUND

The Farming Investment Fund will replace the Countryside Productivity Schemes and will include grants for investments in technology, buildings, machinery and forestry equipment. There will be two levels of the grant and we are expecting the scheme to open in October 2021:

- A small grant scheme called the **Farming Equipment and Technology Fund**. Like the existing CP Small Grant scheme, this will be based on a list of specified items. We are hoping that the minimum grant will be reduced from £3,000 and that contractors will be able to apply as well as farmers. The latest information suggests this scheme will launch in the Autumn.
- A larger grant scheme called the **Farming Transformation Fund**. This will provide grants towards the cost of more substantial investments in equipment, technology or infrastructure, with the potential to transform business performance. Objectives of the scheme include helping farms contribute to Net Zero, improving resource efficiencies, use of robotics, adding value and displacing imports.

ANIMAL HEALTH AND WELFARE PATHWAY

The Animal Health and Welfare Pathway will provide funding for:

- Capital grants and financial support including funding for vet visits and testing through the Sustainable Farming Incentive 2022.
- “Payment by results” to support biosecurity and control of endemic disease likely from 2023.
- A Livestock Information Service (LIS) is expected to launch in late 2022 to simplify traceability and animal health data.

SLURRY INVESTMENT SCHEME

This scheme will help farmers invest in new slurry stores that exceed current regulatory requirements. It will also help farmers meet future regulatory standards to be introduced as part of the Clean Air Strategy. The scheme will open in 2022 and may focus on locations where environmental impact of slurry is greatest.

NEW ENTRANT SUPPORT SCHEME

The New Entrant Support scheme aims to encourage new starters into farming. No details are yet available but applications will open in 2022.

FUTURE FARM RESILIENCE FUND – SUPPORT AND ADVICE

Defra’s [Future Farm Resilience Fund](#) is designed to help farmers understand the changes during the agricultural transition, work through how they might adapt their businesses and access support. There are a number of Providers operating both nationally and locally in the North of England and more details are on Defra’s website. In partnership with the Prince’s Countryside Fund (PCF), the Farmer Network will be one of the deliverers across the North of England. Starting this autumn, the package of support delivered by the **PCF’s Farm for the Future programme** will include a series of workshops and one to one support.

EXISTING GRANTS

COUNTRYSIDE STEWARDSHIP

The Countryside Stewardship schemes will continue to be open for applications until 2023 with the final agreements starting on 1st Jan 2024. This applies to both Mid-Tier and Higher Tier agreements. Existing Higher Level Stewardship agreements that come to an end in this period are mostly being offered annual rollovers until 2024. Capital grants, including grants for field boundaries, air and water quality, will be available within both Mid and Higher Tier agreements and in the stand-alone grant scheme. Anyone in a Stewardship agreement that started after January 2021 who wants to join the new Environmental Land Management schemes will be able to transfer at agreed exit points with no penalty.

NEW WOODLAND CREATION GRANT

The England Woodland Creation Offer (EWCO) is a new grant to support the creation of new woodland. Many of the options offered under the existing Stewardship Woodland creation and maintenance grant are also available under this new offer and may be eligible for higher payment rates. It will also create new woodland on areas as small as 1ha including through natural colonisation.

HOW DO I FIND OUT MORE?

You can sign up for updates about all the new schemes at:

<https://defrafarming.blog.gov.uk/2021/06/23/how-farming-is-changing/>. For more information, and to sign up for the Prince’s Countryside Fund’s Farm for the Future Programme contact:

Veronica Waller

Tel: 01768 868615 E mail: veronica@thefarmernetwork.co.uk

The Farmer Network Ltd, Head Office: 1 Sandgate, Penrith, CA11 7TP www.thefarmernetwork.co.uk