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FUND

Farm for the Future

FREE support for your farm through trusted local partners

www.princescountrysidefund.org.uk/farmforthefuture

Farm for the Future Welcome Meeting

Delivered by Dartmoor Hill Farm Project working with The Prince's Countryside Fund

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Hazel Kendall

David Attwell



Agenda

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Support

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What next?

EDIT. Please note

This presentation was originally compiled in October 2022 and some of the ELM details have changed since this date. Please refer to latest Government updates.



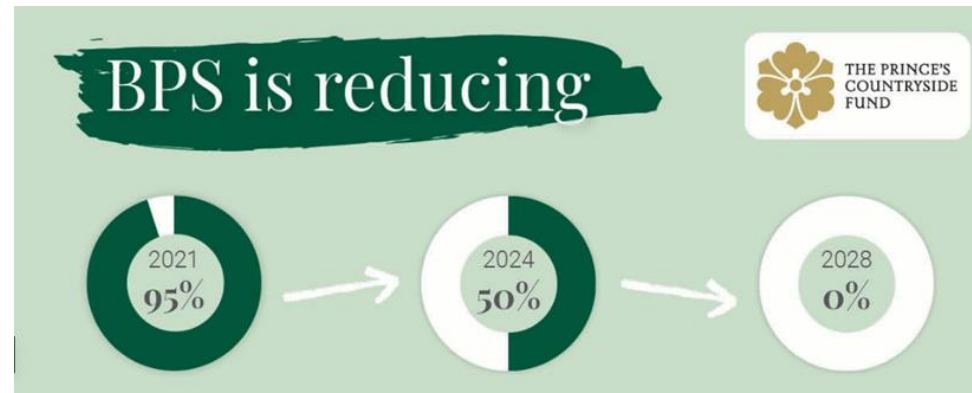
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Changes to Farm Support: What do we know so far?



Summary of the changes to farm support

- Basic Payment Scheme (BPS) phases out between 2021 - 2028.



- Environmental Land Management Scheme (ELM) to pay for “public goods”
- Capital grants including Farming Investment & Slurry Investment scheme.
- Funding for “Protected Landscapes” e.g., National Parks and AONBs.
- Animal Health and Welfare Pathway support
- Other schemes inc. innovation, research, new entrants or business advice
 - ***Note. The new Ministerial team at Defra are currently reviewing these new schemes and further announcements are expected over coming months.***



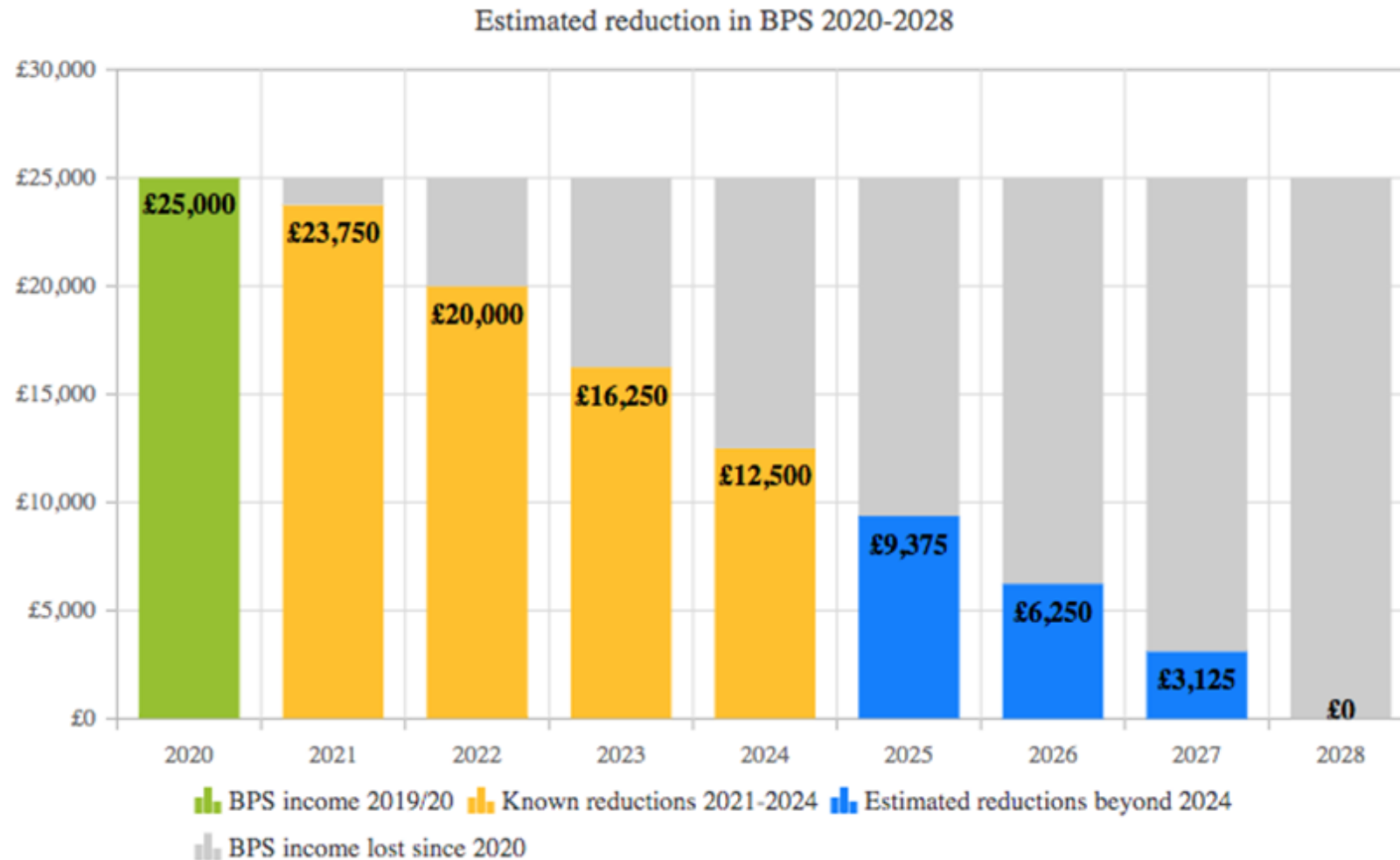
Phasing out of BPS

| 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% |



BPS Phase Out Example

25k Payment (AHDB calculator)





Defra Basic Payment Scheme Calculator

<https://calculate-direct-payment-reductions.defra.gov.uk/>

Calculation complete

Your estimated progressive reductions are based on a starting payment amount of £45,000.00.

Progressive reductions

| Scheme year | 2021 | 2022 | 2023 | 2024 |
|--|------|------|------|------|
| £30,000.00 or less | 5% | 20% | 35% | 50% |
| amounts above £30,000.00 and no more than £50,000.00 | 10% | 25% | 40% | 55% |

Your progressive reductions

| Scheme year | 2021 | 2022 | 2023 | 2024 |
|--|-----------|-----------|------------|------------|
| £30,000.00 or less | £1,500.00 | £6,000.00 | £10,500.00 | £15,000.00 |
| amounts above £30,000.00 and no more than £50,000.00 | £1,500.00 | £3,750.00 | £6,000.00 | £8,250.00 |
| Total progressive reduction: | £3,000.00 | £9,750.00 | £16,500.00 | £23,250.00 |

Your estimated payment after progressive reductions

| | |
|------|------------|
| 2021 | £42,000.00 |
| 2022 | £35,250.00 |
| 2023 | £28,500.00 |
| 2024 | £21,750.00 |

Exit Scheme and Delinking

- A lump sum Exit Scheme payment was offered up till Sept 2022
- Based on BPS payments 2020-2022 of that business, capped at £100k
- Conditions include all members of the business leaving the sector
- **Tax implications?**
- Hopes to help support new entrants or others expand as a result

~40% of UK farmers are over 65
The average age is 59





New Environmental Land Management Schemes (ELM)





Sustainable Farming Incentive (SFI) in 2022

- Open from 2022 to farmers that have claimed BPS including those in existing Stewardship Schemes
- To be open to all from 2024
- 3 standards currently available:

| Standard | Level | Total annual payment |
|--------------------------------|--------------|----------------------|
| Arable and horticultural soils | Introductory | £22 per hectare |
| | Intermediate | £40 per hectare |
| Improved grassland soils | Introductory | £28 per hectare |
| | Intermediate | £58 per hectare |
| Moorland | Introductory | £10.30 per hectare |

Possible to apply different levels from different standards to maximise opportunities on farm



Possible roll-out of future SFI Standards

| 2023 | 2024 | 2025 |
|--|--|--|
| <ul style="list-style-type: none">• Nutrient management• Integrated pest management• Hedgerows | <ul style="list-style-type: none">• Agroforestry• Low and no input grassland• Moorland and rough grazing (all levels)• Water body buffering• Farmland biodiversity | <ul style="list-style-type: none">• Organic• On-farm woodland• Orchards and specialist horticulture• Heritage• Dry stone walls |

Local Nature Recovery (LNR)

- *“The improved and more ambitious successor to the Countryside Stewardship scheme”*
- Supports local nature recovery and local priorities
- Likely to require collaboration between farmers – environmental management & restoration over a wider area.
- Can be “layered” with the Sustainable Farming Incentive.
- Information on payment rates and options expected in December 2022.
- Early version to be piloted in 2023. Roll out from 2024.

Landscape Recovery

- Landscape or catchment scale
- Bespoke agreements & long term *“More radical changes to land-use change and habitat restoration.”*
- 1st pilot closed June 2022, focused on recovering native species and restoring rivers and streams.
- Minimum of 500ha up to 5000ha.
- 2nd round pilot projects expected next year.
- No set payment rates or options.
- Pilots offer 2 year development phase leading to long term agreements over 20 years and encourage private finance.

Farming Investment Fund

- Grant funding towards investments in technology, buildings, machinery and forestry equipment.
- 2 options:
 - **Farming Equipment and Technology Fund**
 - Small grants £2 – £25k
 - Was open in Jan 2022
 - Hoping for a new round?
 - **Farming Transformation Fund**
 - Large grants £35-£500k
 - Grants towards larger capital items to help businesses improve productivity & profitability; technology, robotics, infrastructure, irrigation etc





Animal Health & Welfare Pathway



- Capital grants and financial support for vet visits available “*from autumn 2022...*”?
- Payment by results to support biosecurity and control of endemic disease likely from 2023
- Animal Health and Welfare Capital grants being developed with both a small and large grant scheme
- Livestock Information Service (LIS) aim to incorporate all devolved nations and livestock sectors to simplify traceability and animal health data

Slurry Investment Scheme

- To improve slurry storage and management, reduce risks of environmental damage and assist with Clean Air Act compliance
- To help upgrade storage to reach 6 month's capacity (& impermeable cover), e.g.:
 - replace existing stores that are no longer fit for purpose;
 - build additional storage, if your current storage is compliant;
 - expand otherwise compliant storage, e.g. by adding another ring to a steel tank.
- Grant at 50% of eligible costs with a min. £25k - max £250k.
- Clean Air Strategy 2019 will require use of low emission spreading equipment post 2025 and possibly covering stores by 2028



This Autumn?



Farming in Protected Landscapes (FiPL)

- 3-years from 2021 – 2024
- AONBs and National Parks only; speak to allocated officers for advice
- Improvements to the natural environment, cultural heritage and public access.

To meet 4 themed outcomes:

- Climate
- Nature
- People
- Place



Other Schemes

- **New Entrant Support:**
 - Still in development but targeted to support public and private bodies in attracting new entrants to agriculture.
 - Pilot this winter.
- **Skills and Training:**
 - New Institute for Agriculture and Horticulture to act as a hub for training and development.





Defra's Future Farming Resilience Fund

- Aimed at helping farmers understand the changes during the agricultural transition, work through how they might adapt their businesses and access support.
- Support is available from October 2022 to March 2025.
- There are 17 providers nationally – full list on Defra's website.
- This includes the Prince's Countryside Fund's Farm for the Future Programme (this one)!
- Note - you can only choose one provider.



Thinking about the Future

- It is vital farmers understand true costs to make informed decisions about their future
- Keeping up to date is challenging with existing schemes such as Stewardship continuing and new schemes being developed
- ELM schemes will not be a direct replacement for BPS
- Understanding environmental assets (or Natural Capital) are a key factor
- Collaboration maybe required to access the higher paid schemes
- Increased focus for potential private investment; Carbon & Biodiversity
- Some farmers may wish to retire or reduce the size of their business. Some may want to expand to take advantage of farmers wanting to leave the industry.





2 Questions and Discussion





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Farm for the Future



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Farm for the Future

The Prince's Countryside Fund's 'Farm for the Future' programme is being delivered in 14 different areas of England by local farm support groups. **Dartmoor Hill Farm Project** are your local contact.

Through a series of workshops and 1:1 support it aims to help farmers and their families to:

- Understand more about the agricultural policy changes and how they will affect their farm business.
- Provide tools and advice to help farmers consider their options and feel confident in making changes.
- Understand the opportunities provided by the new ELM schemes that may financially and practically benefit their farm business.



Farm for the Future

What's involved?

- Business and Environmental workshops with external speakers
- 4 optional workshops on select topics;
 - Soil & Grassland management
 - Tenancies through Transition
 - Intelligent Livestock (using technology and data)
 - Succession.
- Up to three hours of 1:1 support to help you consider your options for the future with a consultant or advisor.
- Resources and training videos.
- Opportunity to be part of the Farm Resilience Network benefiting from workshops and online resources.

- Year 1 runs from Oct 2022 – March 2023



Business Workshop 9th Nov

Delivered by three farm business contacts specifically aimed as an insight into the livestock and red meat trades, the workshop is aimed at helping you:

- Understand what and how to assess your own farm business to identify where improvements may be made, hidden costs or reduced efficiencies and how to assess a more realistic financial position from this.
- Consider your current farm income and the impact of the changes to support payments with loss of BPS and delinking from production
- Learn about changing markets, sales and demand within supply chains and how these can be addressed or met
- Consider tools or practices to help plan and monitor your own business performance and income. Practical tips on stock selection; the difference between profit and loss on an animal.



Environment Workshop – 30th Nov

Delivered by a local farm consultant, Julia Bastone, and with members of the Defra Future Farming Team, the workshop is aimed at helping you understand:

- More clarity and detailed information about existing environmental schemes and ELMs as they are developed. Our Defra contacts have been directly involved with both development and delivery, and we hope can provide a useful insight in discussion.
- A walk and talk at Tor Royal Farm as our host venue, considering practical options on farm, what these look like in practice and potential payments under new SFI options, or a range of other schemes.
- Information and discussion around other opportunities for income from the environment, e.g. emerging private or green finance.



Who can take part?

- Any farmer currently receiving BPS can join the programme.
- The programme is running for 3 years, but you can only take part in one cohort; however, ongoing support will be available throughout (last year's contacts are invited to join this year)
- You can sign up at this Welcome meeting, over the phone or online.
- Extra support is available to anyone who may struggle or feels unable to attend meetings, this can take a flexible approach at their own pace; often starting with a kitchen table chat. We encourage everyone to promote this offer to any friends or neighbours you feel could require help.

Any Questions?



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