

Future Farming Update

Proposals for the Agricultural Transition
2021 - 2027

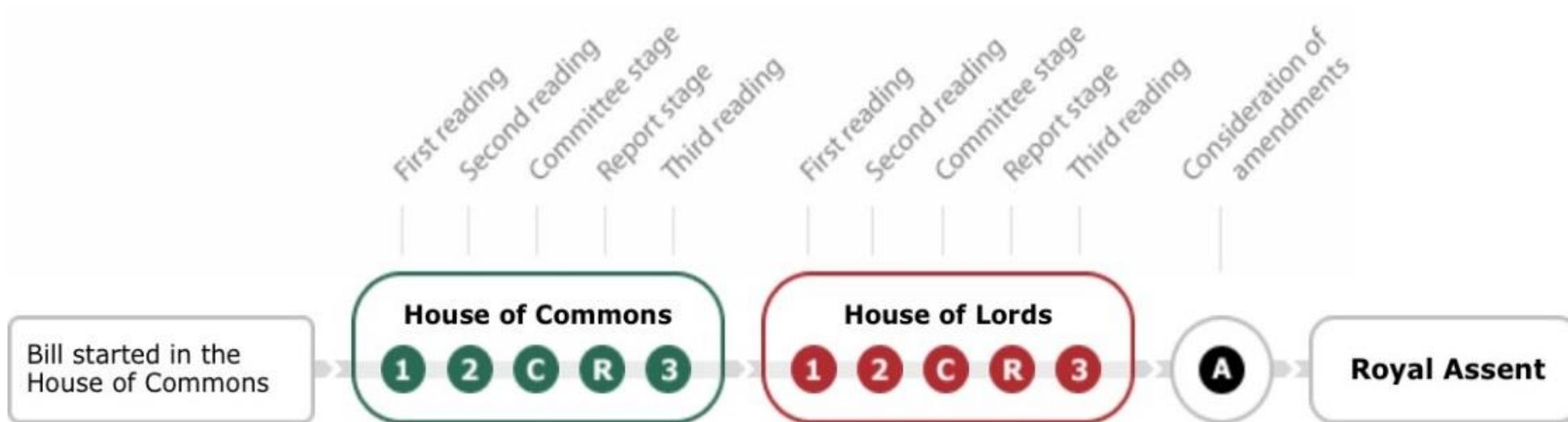
Future Farming and Countryside Programme - Defra

A New Vision for Agriculture

- ▶ As a member nation of the European Union, the UK agriculture industry was governed by the EU's Common Agriculture Policy for the past 40+ years
- ▶ It decided how we farm our land, the food we grow and rear and the state of the natural environment
- ▶ Now that we've left the EU, we have a unique chance to set our own direction of travel for English agricultural policy
- ▶ The new system will be based on paying “public money for public goods”
- ▶ This will significantly contribute to the goals of the 25 year environment plan and others such as net zero carbon emissions by 2050

Agriculture Bill Update

- ▶ Introduced to Parliament on 16 January 2020 with Second Reading on 3 February
- ▶ Committee Stages now underway – anticipated to clear House of Commons end March; will then enter the House of Lords (estimated mid/late April)



Agriculture Bill

- ▶ This Bill will introduce ambitious new land management schemes in England, based on the principle of “public money for public goods”, which will allow us to reward farmers and land managers who protect our environment, improve animal welfare and produce high quality food in a more sustainable way
- ▶ The Bill helps farmers to stay competitive with measures to increase productivity and invest in new technology. We will also improve transparency in the supply chain to help food producers strengthen their position at the farm gate and seek a fairer return from the marketplace
- ▶ The Bill provides the legislative framework necessary to ensure a smooth transition to the new system. Farmers and land managers will be supported over a seven-year agricultural transition period, giving them time to plan and adapt to the new approach
- ▶ Bill will deliver for farmers and food producers and enable us to leave the countryside in a cleaner, greener and healthier state for future generations

Agriculture Bill - Aims



Rewarding public goods with public money



A thriving, self-reliant and resilient farming sector



A trusting and productive relationship between farmers and the government



World class animal welfare standards

What is the Agricultural Transition?

- ▶ The Agricultural Transition (2021-2027) refers to the transition in England from CAP schemes to a system based on 'public money for public goods'
- ▶ During this time we will phase out Direct Payments in England, giving farmers and other land managers time to adjust; a seven year transition
- ▶ By beginning to reduce Direct Payments in 2021, we will free up money so we can continue offering an improved Countryside Stewardship scheme, while introducing pilots of our Environmental Land Management scheme

2021



2027



Key Principles of a Safe Transition

- ▶ Phase out Direct Payments between 2021-2027, avoiding a cliff edge for farmers
- ▶ End CAP legacy schemes safely, whilst providing opportunities to continually engage with environmental schemes
- ▶ Communicate our plans to farmers, foresters and other land managers so that they understand:
 - ▶ When new arrangements will be introduced
 - ▶ What government schemes will be available and when

Key Changes Proposed for 2021

▶ Direct Payment reductions will start

Reduction percentages will be increased over time until final payments are made for the 2027 scheme year

2021 % reductions will be:

Direct Payment band *	Reduction percentage
Up to £30,000	5%
£30,000 - £50,000	10%
£50,000 - £150,000	20%
£150,000 or more	25%

- ▶ Countryside and Environmental Stewardship Agreements signed before 31 December 2020 are guaranteed for their lifetime
- ▶ Extensions of existing HLS/CS agreements continue
- ▶ New Countryside Stewardship Agreements available – improved T&Cs provide simple route into ELM
- ▶ ELM Pilot agreements from late 2021
- ▶ Farm Sustainability Grants for Productivity will start from 2021

What additional schemes will be available during the early transition period?

- ▶ **Farm Sustainability Grant Support** – we plan to offer financial assistance for those wanting to invest in equipment, technology, and infrastructure to help them improve productivity
- ▶ We also intend to develop schemes to support farmers in England for delivering enhanced **animal health and welfare** (such as grants)
- ▶ Proposals for a new **UK Shared Prosperity Fund** to support the rural economy
- ▶ We intend to support **research and development (R&D) projects** that aim to improve productivity
- ▶ **Resilience funding** – £1million of funding to projects in 2020 exploring the best ways to improve business resilience and well-being

Agricultural transition - key points

- ▶ Decision on 'Delinking' Direct Payments from the requirement to farm the land not yet decided, but not until 2022 at the earliest
- ▶ Options for offering lump sums in lieu of future Direct Payments still under consideration
- ▶ Regulatory changes are expected; to simplify, use more proportionate penalties and to maintain standards

Environmental Land Management (ELM)

- ▶ Environmental Land Management (ELM) will be our cornerstone future farming scheme, rewarding farmers, foresters and other land managers for providing environmental benefits; including:
 - ▶ Clean air, water, thriving plants and wildlife, enhanced landscapes
 - ▶ Mitigation and adaptation measures to minimise the impact of climate change
- ▶ Test and Trials currently underway
- ▶ National Pilot agreements from late 2021
- ▶ Full scheme roll out in 2024



**Environmental
Outcomes**

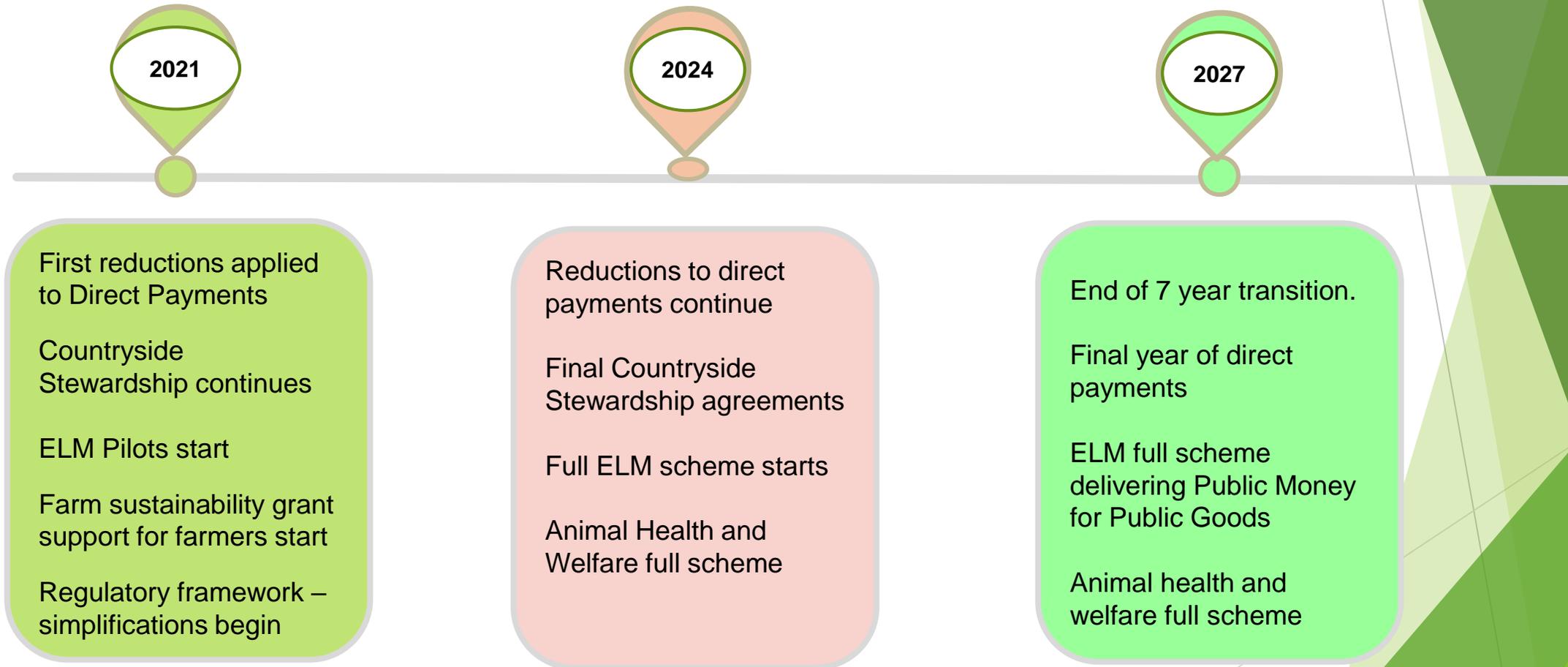


**Encouraging
collaboration**

ELM Policy Discussion Document

- ▶ Environmental Land Management: Policy Discussion Document
- ▶ Launched Feb 2020 www.consult.defra.gov.uk
- ▶ This document sets out our initial thinking on the design of the new ELM scheme. **There are key questions in the document on which we would like your views.** Feedback on this document will help us shape the new scheme.
- ▶ You can also email elmfeedback@defra.gov.uk
- ▶ The discussion is open for 10 weeks, until the first week of May.
- ▶ We're also arranging a series of ELM roadshows across England to capture your views on the ELM scheme design directly. We will share more information on these and how to attend in due course.

Agricultural Transition Timeline



Summary:

- ▶ Further advice and information:
 - ▶ **Farming for the Future: Policy and Progress Update** – www.gov.uk
 - ▶ **ELM Policy Discussion Document** – www.gov.uk
 - ▶ Email: elmfeedback@defra.gov.uk
- ▶ To find out about Future Farming communications and engagement work contact:
 - ▶ ffcpengagement@defra.gov.uk

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Thank you