



Department  
for Environment  
Food & Rural Affairs

## Farming is Changing



## ELM Update “Farming is changing”

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## Current/recent situation (under CAP)

### Basic Payment Scheme

- Broadly based on area of land farmed.
- Requires farms to be “cross compliant” – basic level of good practice for public, animal and plant health; environment, climate change and good agricultural condition of land; animal welfare.
- From 2015 arable farmers also had to comply by Greening Rules - Crop Diversification (3 crop rule); Ecological Focus Areas (5% of arable land).

### Countryside Stewardship

- provides financial incentives for farmers, woodland owners, foresters and land managers to look after and improve the environment.
- Payments depend upon options chosen and roughly designed to cover income forgone.



## 2021 – What does Brexit bring?

2021 is the start of a 7 year transition away from EU based rules towards new domestic regulations and schemes.

- Phasing out Basic Payment Scheme (BPS) payments
- Closing existing agri-environment schemes

The new approach will include:

- Environmental Land Management, a new way to pay farmers and land managers to produce public goods, for example through nature-friendly practices
- grants and other help to improve farm productivity and prosperity
- a new approach to farming regulation and enforcement

Changes in 2021 include:

- Removal of Greening rules from BPS
- First reductions to BPS
- Changes to Cross Compliance rules (risk of reducing environmental protection?)

BPS payments will be progressively reduced from 2021. Payments will be reduced progressively. All payments will be reduced, but there will be bigger reductions on the higher payment bands. These bands will work like income tax bands. For example, everyone will have a reduction of 5% on their first 30,000 of payments in 2021.

| 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%  |

Payments will be reduced each year until the final payments for the 2027 scheme year. No further BPS payments will be made after 2027.

(In 2024, it is planned to replace BPS with ‘delinked’ payments. When payments are delinked, it will be unnecessary to farm the land to receive the payments, until they have been phased out. Farmers could be offered a lump sum in place of any further BPS and delinked payments to which they would have been entitled.

Delinked payments may be received even if a farmer chooses to stop farming altogether.)



## Environmental Land Management

Environmental Land Management (ELM) is the new way the government is planning to pay farmers and land managers to deliver public goods.

This includes actions that contribute to:

- clean and plentiful water
- clean air
- protection from and mitigation of environmental hazards
- mitigation of and adaptation to climate change
- thriving plants and wildlife
- beauty, heritage and engagement

Environmental Land Management offer will be made up of three components:

- Sustainable Farming Incentive
- Local Nature Recovery
- Landscape Recovery



## Sustainable Farming Incentive (SFI)

- pay for environmentally sustainable land management actions that all farmers can do. Actions will be grouped into simple packages to make it as easy as possible for farmers to identify those that are best suited to their land.
- will be open to all farmers
- aim is to make it attractive and straightforward for everyone to take part, including the many who are not currently in a scheme.

SFI eligibility for 2022 is available to all farmers in receipt of BPS (Equivalent to Cross Compliance plus but voluntary?)

From 2022 will be bringing forward certain elements of the Sustainable Farming Incentive component in a scheme called the Sustainable Farming Incentive 2022 (SFI2022). Details of the scheme, what it will pay for and how farmers can get involved should be published by June 2021.

More options and features will be added throughout 2022 and 2023. By 2024 all the features of the new scheme will be fully available.

Those with an existing environmental agreement will be able to apply for SFI alongside other agreements. It will not be possible to receive payment for the same action twice through different schemes.

## Local Nature Recovery

Local Nature Recovery will pay farmers and land managers for actions that support local nature recovery and deliver local environmental priorities.

Local Nature Recovery agreements will be available from 2024, following a national pilot starting in 2021.



## Landscape Recovery

Landscape Recovery will involve bespoke agreements to support long-term, land use change projects, including rewilding where appropriate.

Will begin some pilot Landscape Recovery projects between 2022 and 2024, and then make the full scheme available from 2024.

### Environmental Land Management

| Scheme   | Further info                      | Applications open | Start | End  |
|--|-----------------------------------|-------------------|-------|--|
| Tests and Trials                                     | <a href="#">Quarterly reports</a> | Ongoing           | 2018  | 2024 and beyond                              |
| National Pilot – Sustainable Farming Incentive (SFI) | Spring 2021                       |                   |       |  |
| SFI 2022   | June 2021                         | 2021/22           | 2022  | 2024   |
| SFI  | 2021                              | 2024              | 2024  | N/A  |
| National Pilot – Local Nature Recovery               | Summer 2021                       | 2021/22           | 2022  | 2024   |
| Local Nature Recovery                                | 2021                              | 2024              | 2024  | N/A  |
| National Pilot – Landscape Recovery                  | Summer 2021                       | 2021/22           | 2022  | 2024 (agreements will last beyond this date) |
| Landscape Recovery                                   | 2021                              | 2024              | 2024  | N/A  |

## Additional schemes and elements of delivery:

### Environmental and animal outcomes

| Scheme  | Arable | Livestock | Foresters/<br>woodland<br>managers | Growers | Further<br>Info | Applications<br>open | Start                            | End                              |
|---|--------|-----------|------------------------------------|---------|-----------------|----------------------|----------------------------------|----------------------------------|
| Forestry Commission Incentives                            | Y      | Y         | Y                                  | Y       |                 | All year             | 2020                             | TBC                              |
| Farmers in Protected Landscapes                           | Y      | Y         | Y                                  | Y       | Feb 2021        |                      | April 2021                       | 2024                             |
| Tree Health Pilot   | Y      | Y         | Y                                  | Y       | Apr 2021        | Aug 2021             | Oct 2021                         | 2024                             |
| Tree Health Scheme  | Y      | Y         | Y                                  | Y       | 2024            | 2024                 | 2024                             | N/A                              |
| Animal Health and Welfare Pathway Funding                 |        | Y         |                                    |         | 2021            | 2022                 | 2022                             | TBC                              |
| New Countryside Stewardship agreements and Capital Grants | Y      | Y         | Y                                  | Y       | Feb – Mar 2021  | Feb – Mar 2021       | Each year usually from Feb / Mar | 2023 scheme year for 2024 starts |

### Improving farming prosperity

| Scheme   | Arable | Livestock | Foresters/<br>woodland<br>managers | Growers | Further<br>Info | Applications<br>open | Start       | End      |
|--|--------|-----------|------------------------------------|---------|-----------------|----------------------|-------------|----------|
| Farm Resilience Scheme (phase 2)                                     | Y      | Y         | Y                                  | Y       | Mar 2021        | June 2021            | May 2021    | Oct 2024 |
| Farming Investment Fund – Equipment & Technology, and Transformation | Y      | Y         | Y                                  | Y       | Apr 2021        | Dec 2021             | Dec 2021    | 2026     |
| Innovation Research & Development Scheme                             | Y      | Y         | Y                                  | Y       | Oct 2021        | 2022                 | 2022        | 2028     |
| Slurry Investment Scheme   |        |           |                                    |         | 2022            | 2022                 | Autumn 2022 | 2025     |
| New Entrant Support Scheme   |        |           |                                    |         | Nov 2021        | 2022                 | 2022        | 2024     |



All timescales are subject to change.

Information available from:  
<https://www.gov.uk/government/publications/future-farming-changes-to-farming-in-england>



- **Integrated Pest Management Plan advice**
- **Metaldehyde reduction projects and integrated slug control**
- **Catchment Sensitive Farming and on farm specialist visits**
- **Water Quality Capital grants**
- **Resource protection options available through Countryside Stewardship**
- **Advice on resource protection**

**Please get in touch:**

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