

Stewarding the Transition



Technical Agri-intelligence update

The mist is beginning to clear on how environmental enhancement will be rewarded. *CPM* consults Agrii on how it'll affect arable businesses and the opportunities likely to arise.

By Tom Allen-Stevens

Among all the uncertainties your business faces during the Agricultural Transition, there's one element that's certain: your direct subsidy will reduce.

The Environmental Land Management (ELM) scheme is what Defra is bringing in to replace it, but it's a very different concept and form of payments from what it replaces, according to Agrii farm business consultant Paul Pickford.

"We know less about the future of agriculture support now than we ever have over the past 30 years," he notes. "Previously, every time support payments changed, it was an evolution of the current system. ELM is billed as far more radical — there are elements of an evolution, but much of it is new."

Central to this is that it's public money paid for public goods. "Don't view the ELM scheme as a way to recover what you're losing under BPS — there's more work to do

and costs involved. However, it's designed in such a way that should help you identify opportunities for extra revenue and saving costs, as well as improving resilience — successful agreements will be those that bring together crop production and environmental enhancement," he says.

Green Horizons

Enhancing the environment is one of the five key aims of Agrii's Green Horizons initiative to improve the sustainability of UK food and farming. Within this there's a commitment to work with growers to cut emissions and achieve Net Zero by 2040. Its ongoing environmental awareness training is being extended beyond Agrii agronomists to customers and this ties in with the company's tailored environmental advice services. These are designed to provide farmers with the support required to improve a range of environmental resources on farm.

Specialist farm environmental advisors are on the team — Simon Rollinson has worked full time with Agrii since 2002. He brings with him decades of experience pioneering environmental on-farm features, improving biodiversity and developing plans to protect water and mitigate run-off and soil erosion. Paul and Simon have been reviewing what's on offer under ELM and specifically the new Sustainable Farming Incentive (SFI) and recently shared their initial findings with *CPM*.

"The first step for farmers is to understand what they'll lose from the

“Successful agreements will be those that bring together crop production and environmental enhancement.”

phasing out of BPS," advises Paul. "That element should be taken out of the equation and out of the business. For most farms, the return from crop production will then look pretty thin — BPS currently makes up around 15-17%

of output, which is equivalent to profit in a well structured arable business."

So how is this replaced? "The biggest opportunity is to improve efficiency and the government is bringing in a number of measures to help arable businesses address this," he continues.

Here he makes a distinction between payments for capital investment, available through initiatives such as Defra's Future Farming Resilience Fund to be introduced later this year and the Countryside Stewardship (CS) options currently available, and revenue payments.

"The ELM scheme is where the bulk of revenue payments will sit, split into three areas: SFI, Nature Recovery and Landscape Recovery. The first two will be most relevant for arable farms in productive areas."

Paul explains that the SFI, currently going through its pilot and due for full roll-out next year, is a voluntary payment, open and available to all. "There are eight standards, and you can stack these, so the arable and horticultural land and soil standards can apply to the same area, for example, although double funding rules will almost certainly restrict you from claiming ELM payments on land already in CS.

"Under each standard, there's an introductory, intermediate and advanced level and you can claim up to around 50% of what you currently receive under BPS. The difference is that BPS is relatively straightforward and effortless. SFI requires ▶



There's more work to do and costs involved with ELM, says Paul Pickford, but it offers opportunities for extra revenue, as well as improving resilience.

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Simon Rollinson notes that much of what farmers currently do for Red Tractor Assurance will be rewarded under ELM.

► some work, and there'll be some degree of auditing. The difficulty is that what you'll be required to do at present couldn't be any more woolly," he remarks.

Simon notes the SFI offers payment for what a lot of farmers have been carrying out for decades, in much the same way as the old Entry-Level Stewardship. "Much of what farmers currently do for Red Tractor Assurance will be rewarded under ELM. This is not a box-ticking exercise, though — there should be a proper management plan."

Simon and Paul recommend a good place to start would be the management plans for nutrients and soils encouraged through SFI. "This is where you can identify your environmental assets and start to tailor your plan towards what works for your own farming system," explains Paul.

"So step two would be to carry out an audit, identify some actions and start to implement them. It's not just about gaining

payments under SFI, but making efficiencies and improving your crop production in the process."

Simon notes the emphasis within SFI on soil health. "At the very least this is an opportunity to get a baseline of your soil organic matter that you can look to build. Soil is the highest sequester of carbon, which is where future market opportunities are likely to lie."

Paul believes this is where public/private partnerships and offsetting arrangements, mooted to be a future feature of the Agricultural Transition, will come in. "We're already seeing carbon payments under the Woodland Carbon Guarantee scheme. The problem with soil is there's no reliable way to measure soil organic carbon. But those

Sustainable Farming Incentive requirements

Introductory	Intermediate	Advanced
Arable and horticultural land standard		
Provide year-round resources for farmland birds and insects	Improve nutrient use efficiency and reduce losses to the environment by carrying out a nutrient budget	Provide year-round resources for farmland birds and insects. Provide nesting and shelter for wildlife by having areas of tall vegetation and scrub
Better meet your soil requirements by following a nutrient management plan	Increase habitat for farm and aquatic wildlife through rotational ditch management	Benefit from crop pest predators by locating their habitats next to cropped areas
Minimise emissions of ammonia through rapid incorporation of organic manures and slurry on ploughed land	Better target your nutrient application by carrying out soil mapping	Use efficient precision application equipment for fertilisers and organic manures
Arable and horticultural soils standard		
Identify the priority areas for soil management on your farm by carrying out a soil assessment	Further improve soil structure and biology by providing minimum inputs of organic matter over more of your arable and horticultural land	Further improve soil structure and biology by providing minimum inputs of organic matter over more of your arable and horticultural land
Protect your soil from runoff, erosion and flooding and help increase crop yields by taking measures to maintain soil structure and avoid or alleviate soil compaction	Maintain soil organic matter and support soil biology by reducing tillage depths on some of your arable and horticultural land	Reduce flooding and improve soil structure, soil carbon and soil biology by producing a soil management plan
Improve the soil structure and biology by inputting organic matter on some of your arable and horticultural land	Reduce the risk of soil erosion and maintain soil organic matter by reducing tillage on fields identified as high and very high risk of surface run-off or soil erosion	Reduce soil damage by limiting the area of the field that is travelled on
Reduce the risk of soil erosion by cultivating and drilling across slopes where appropriate		
Protect the soil from soil erosion and run-off by maintaining minimum soil cover over winter, where appropriate		
Hedgerows standard		
Increase the amount of pollen, nectar and berries in your hedges by leaving areas uncut each year	Increase the food and habitat available to wildlife by leaving more areas uncut or raising the cutting height, and by having frequent hedgerow trees	Provide increased wildlife habitat by having more trees amongst your hedges and buffer strips along more of your hedgerows
Provide more habitat for wildlife by having occasional hedgerow trees	Protect your hedgerows from agrochemicals, fertilisers and physical disturbance with buffer strips	
Water buffering standard		
Identify where to put your buffer strips by carrying out a run-off and soil erosion risk assessment	Further increase protection of the water course and provide better habitat for wildlife and better habitat connectivity by increasing the size of some of your buffer strips	Provide further habitats for wildlife and enhance soil structure and nutrient uptake within the buffer by including an appropriate wildflower mix into some of your buffer strips
Protect water courses and prevent pollutants entering the water by having grass buffer strips		

Source: Defra, March 2021; Requirements build under each level, so those following the advanced level of a standard must meet the requirements of both introductory and intermediate levels, too.

Sustainable Farming Incentive payments

Sustainable Farming Incentive	Introductory (£/ha)	Intermediate (£/ha)	Advanced (£/ha)
1 Arable & horticultural land	28	54	74
2 Arable & horticultural soils	30	47	59
Combined	58	101	133
Percentage of 2020 BPS	25%	43%	57%
3 Improved grassland	27	62	97
4 Improved grassland soils	6	6	8
Combined	33	68	105
Percentage of 2020 BPS	14%	29%	45%
5 Low/no input grassland	22	89	110
Percentage of 2020 BPS	9%	38%	47%
6 Hedgerows	16 /100m	21 /100m	24 /100m
7 Farm woodland		49	
8 Waterbody buffering	16 /100m	29 /100m	34 /100m

Source: Agrii, from Defra figures, March 2021. Assumes a BPS payment of £233/ha.

putting some form of metric in place will no doubt be the first to benefit.”

The detail on Nature Recovery, the second tier of ELM, is still too thin for Paul to offer much definitive guidance. “We know this is likely to be targeted towards groups, rather than individual farmers, and it’ll probably look similar to Higher Tier CS, with payments made to match local priorities. The cluster groups that

have proven highly successful will likely form primary beneficiaries,” he says.

Simon believes these will be an opportunity to provide incentives for farmers in an area to meet common objectives. “I hear nothing but good things about cluster groups which can deliver really effective targeted initiatives improving water quality in a catchment, for example. They often involve water companies

Agri-intelligence update

The latest in our long-running series with the country’s most extensive agronomy R&D network gives *CPM* readers exclusive insights into exciting areas of Agrii’s Green Horizons initiative to improve the sustainability of UK food and farming in practical ways with the best scientific intelligence.

Each article explores an important facet of one of the initiative’s key priority actions being developed in detail in separate Insight Reports.

The second of these reports — Enhancing the Environment — explores biodiversity and habitat creation, moving to Net Zero

carbon emissions, reducing plant protection product inputs, preparing for the new payments future and protecting water resources, amongst other topics. It is available to download from www.agrii.co.uk/greenhorizons



which can help with resources and monitoring.”

Again, the first step to realising any opportunities is to identify the natural resources on your own farm. “It’s where the agronomist comes in. While Agrii agronomists won’t necessarily have all the answers, they have the expertise

in house to call on to ensure a farm forms the right environmental plan. Anyone can put together a CS Mid Tier agreement — it’s getting a good agreement that makes the most of a farm’s environmental assets and ties in with its crop production that’s important,” notes Simon. ■

Stewardship transition must fit farm fundamentals

Midloe Grange Farm in Cambs has been part of various environmental schemes since they started in 1992, recalls partner in the business David Felce, who also works for Agrii. “We have a 6ha field of permanent pasture in ridge and furrow that’s never been improved nor highly productive for the beef herd we had back then.

“Strangely it didn’t fit with the Historic Landscape option within the first Countryside Stewardship scheme we joined. But now it’s a recognised county wildlife site, valued for its rich diversity of species.”

Over the years, the farm has developed its environmental options. “We have ditches round every field, and border an SSSI woodland, so it made sense to introduce 6m buffer strips. Under Entry-Level Stewardship we brought in hedge and ditch management, and have joined Higher-Level Stewardship with over-wintered stubbles, wild bird seed mix and pollen and nectar strips,” David continues.

With around 19% of the total farm area (100ha) now under stewardship, this brings in a revenue of around £6000 per year. “We view the payment as an extra, and usually spend it on improving farm infrastructure. The no-spray buffer zones and taking awkward corners out of management are no-brainers for us, and tie in

very well with farming operations. Over-wintered stubbles are more restrictive and it takes a while to get used to some aspects of hedge and ditch management.

“But the benefits in terms of the native species that are now colonising our margins are really rewarding — cowslips and orchids are appearing, for example.”

Still within HLS, David’s plan is to miss out Countryside Stewardship and transition straight into an ELM agreement when the current contract expires in 2022. “At the moment the admin is pretty straightforward — we’ve had a couple of inspections that have picked up very minor points. But I’m aware there’s a lot less flexibility in CS, and it’s become more prescriptive with the move to RPA,” he notes.

Having been involved with ELM Tests and Trials, and with a close professional relationship with Natural England, David worries how it will work going forward if farmers are paid for delivery of public goods. “I’ve been fortunate that my farm is closely monitored — I’ve gathered good data on what we’ve achieved. But it’s a level of expert involvement that isn’t available to most farmers. So it really concerns me that the cost of proving delivery will fall on the farmer.”

With the BPS worth around £20,000/yr, he’s



David Felce finds the admin of his current ELS agreement pretty straightforward but he worries how it will work if farmers are paid for delivery of public goods.

applied for the SFI pilot, hoping this will bring the stewardship pot to around £10,000/yr, which will still be kept separate. “I have high hopes for the soil management aspects of ELM — we have plans to introduce margins within the existing buffer zones to improve management of headlands. I think there’s also scope to work with Anglia Water on a local water quality scheme, and our 6ha county wildlife site — the jewel in the crown — is currently a loss leader. I’d hope we can realise its true value,” he says.

“But in the clamour to introduce something new, we mustn’t lose focus of getting the basics right — our stewardship pot will still be treated separately, while drainage, correct pH and soil health remain fundamentally the most important aspects of our farming system,” David concludes.