

# **Uplands Alliance**

**A network for England's Uplands**

## **Creating a Brighter Future Project**

**Notes of meeting with Shropshire Hills Farmers held on Monday 8th July 2019  
at the National Trust Pavilion, Cardingmill Valley, Church Stretton, Shropshire**

### Welcome and introductions

Welcome and introductions were given by Tom Lloyd, local farmer and commoner on the Long Mynd

11 farmers attended the meeting

Other attendees included:

- John Powell, Defra
- Cath Landles, Shropshire Hills AONB Partnership
- Andrew Hearle, National Trust
- Nigel Stone, Uplands Alliance

### Farmers' 'worst fears' and 'best hopes' when the UK leaves the EU

- My best hope is that the new schemes after Brexit help us keep the satisfaction in the job and build successful businesses based on traditional farming.
- I hope it will improve so that we can kill the bracken. We have been working to reduce the bracken since 1962 and it was getting better for walkers and birds, but the EIA said it was agricultural improvement and we can't do it any longer. So, we will now have to reduce the number of sheep which means the grass will grow longer and the gorse higher. I don't know what will happen – it will become a fire risk.
- My worst fear is a change of government and Mr Corbyn gets in.
- Best hopes? I can't think of any.
- My best hope is that, when Brexit happens, we can farm the way we want to and make a living from what we are doing.
- My worst fear is that we come out of Europe and markets mean we can't get funding from what we produce. We don't have many options on hill land, we can't do ploughing.
- No youngsters are coming into the industry and we need them to bring their enthusiasm.
- My worst fear is that we lose the market place for most of the lambs going to Europe.
- Best hope is that we establish a market for produce and don't have to have subsidy to make a good living.

- My worst fear is that there is no market for what we produce and cheaper imports.
- My best hope is that we are listened to [by Defra] for the new scheme and can keep doing what we are doing now.
- I don't think the funding from Basic Payment and Agri-environment schemes will be matched by the new ELMS. If we lose the public money and income from produce at the same time, it will be a 'double whammy'. We can't compete [for government funds] with the NHS and land prices are far higher than they should be which makes it hard to expand.
- The best way to get money to rural communities is to support agriculture and forestry. This has a knock on to suppliers, vets, employment etc.
- My best hope is some protectionism so that we get most of our food from our land.
- Conservation comes as a priority compared to farming with money to make it pretty.
- We need restrictions on imports of New Zealand lamb as it's cheaper than British in the shops.
- My worst fear is having to sell up as we can't make a living any more.
- My best hope is that the public realise the role of farming and support us generously.
- My best hope is that [hill] farming gets a voice to tell the public what it does.
- Chicken farms are growing massively and this is now a cheap source of protein but the public don't know the environmental impact of rearing chickens. We can't do the same with lamb but the pastures capture carbon.
- I have read of plans to put more forests on the uplands and reduce sheep but trees don't grow very quickly in this environment.
- Nearly double the carbon is sequestered by pastures in a year than is emitted by the cattle that graze the pastures even when taking account of the additional greenhouse gas effect of methane.
- We are not getting enough compensation for losses due to TB. For example, a productive cow only received £766. Biosecurity measures against TB say you should have at least 3 metres between fences with neighbours but this isn't practical.

John Powell has a long-time experience of the CAP and was part of the 'no-deal' planning team at Defra. Some considerations from that experience include (JP comments in italics):

- *At the time the no-deal planning was being undertaken the government said that no tariffs would be charged on imports and they would want to maintain existing arrangements with countries such as New Zealand while renegotiating with the EU. However, the EU has no choice but to charge WTO tariffs as the UK would be treated as a 'third country'.*
- *Currently, one third of UK lamb goes to the EU as exports. However, as a third country, after leaving the EU agricultural products from the UK can only enter the EU through a Border Import Post (BIP). There is no BIP in France or Ireland so exports from the UK to the EU would need to go from Harwich to BIPs in Holland.*
- *The UK will need to set up competent bodies to administer quality control mechanisms for exports and these would need to be approved by the EU before the UK can export*

*there. In practice, Defra is ready to go with submissions to the EU as soon as the UK leaves but there would be some time for the approval process.*

- *Government has said that it will wait to see how the market reacts to EU exit and then consider how to deal with any exceptional problems.*
- *Because agriculture is a devolved power, no UK-wide agricultural policy will be in place and Wales, Scotland and Northern Ireland can react as they like. The effect is that the UK will have 4 agricultural policies that can all be different.*
- *Question – How will we stop southern Ireland beef from ‘flooding’ into Northern Ireland and the rest of the UK? JP - the EU will need to put in a hard border between Ireland and Northern Ireland but the UK government has said that it will not.*
- *Farmer comment – the core thing is that farmers want to make their core money out of agriculture, although environmental benefits are necessary and important, so I could envisage on average 20% [of government funding] be used for the environment and 80% to support production.*
- *We want curlews and farm production and we need the right balance. A more productive agriculture generates wealth in rural communities which leads to fewer social problems compared to towns.*
- *JP – Government has said that it won’t be subsidising agricultural but will be helping to improve productivity, via grants and loans etc., and provide better information on food to the public.*
- *I can envisage a scenario where we lose our markets and the government grants are reduced so that we won’t have any farms in the uplands.*
- *Question – will the funding pot be as big? JP – The government’s manifesto states that it will keep the cash budget for farming the same as if the UK were still in the CAP until 2022. Existing schemes will be honoured until their natural end.*
- *Q. – will payments be on time? JP – cannot answer but would hope so!*
- *Currently, we sign up for schemes and they [the RPA] come and inspect and pick up on a trivial point and then don’t pay on time.*
- *Currently on schemes we have reduced the number of sheep but, if we kept sheep numbers high we could at least sell them to bring in income rather than being ‘cap-in-hand’.*
- *One response to Brexit could be further intensification and greater levels of sheep stocking. [NS questioned the wisdom of increasing input costs when markets for more lamb especially were in doubt]*
- *How are we affected by WTO rules? JP – The WTO and the international agreements on trade mean that, if the UK doesn’t have a specific trade agreement with a country, certain tariffs have to be applied until such time as agreements are in place. The UK is only 60% self-sufficient in food and so has to import food products but needs trade agreements in order to protect home production.*
- *Why allow imports if they don’t meet our standards? JP – the government doesn’t allow this and this is the current policy.*
- *Open question - will the GB public pay more for food? The public want to get their food as cheap as they can...! [There followed a discussion over public buying habits...]*

## Environmental Land Management Scheme

John Powell is a member of the Tests & Trials Team working on the development of Environmental Land Management (ELM) at Defra; he provided an update about the development of the scheme.

*The fundamental principle of ELM is to provide public money for public goods. Defra is seeking to co-design it with the farming community.*

*The objectives for ELM include:*

- *Transforming the role that agriculture and other land management activities play in delivering environmental goods.*
- *Generating public goods from public money and being a major component of the delivery of the 25yr Environment Plan.*

*Food production is not a public good, as it is rewarded by the market.*

*Under current plans, direct payments will be phased out and end in 2027. ELM will offer support with productivity, research & development, skills development, data collection and analysis and increasing resilience. A range of funding methods are being considered, such as: reverse auctions, use of net gain from development, payment by results, nature recovery networks and support from the private sector.*

*It is proposed that ELM will pay for the provision of six public goods:*

- *Clean and plentiful water*
- *Clean air*
- *Thriving plants and wildlife*
- *Reduction in and protection from environmental hazards*
- *Adaptation to and mitigation of climate change*
- *Beauty, heritage and engagement with the environment*

*To test the proposals for the new scheme, a series of national pilots will take place 2021-2024, with a view to the new arrangements starting to be implemented from 2024. The aim will be for payments to be linked to achieving agreed outcomes.*

*Direct production subsidies will no longer be paid but productivity support, in the form of grants or loans, may be available in the future.*

*Eligibility criteria are being reviewed. Funding may be available to anyone who can demonstrate the delivery of public goods.*

Points raised in the discussion:

- Will farmers be rewarded when they are already delivering the benefits through their long-term management? For example, there is 12% carbon in soil under [organic] pasture against only 2% carbon in soil under potatoes. *JP indicated that the point had been noted.*

- How will Defra police aspects such as sheep tagging in the future if they cannot penalise farmers through withdrawing payments? *JP – this is an aspect outside ELMS.*
- *JP indicated that 113 ‘tests and trials’ applications had been received by Defra and have been whittled down to 46. Defra hopes to start with these in the next few weeks.*
- Getting farmers to come together to deliver the outcomes will be very difficult, for example, most farming areas are not pulled together by having commons. *JP – we are not requiring this but testing how we can encourage it to happen. For example, we need catchment areas to collaborate over water management.*
- You will need regional facilitators to make it happen. *JP – we are looking through tests and trials to see what can work and what ELM might fund. There is a local example of the Stepping Stones project in Shropshire.*
- When paying for outcomes, does it mean paying retrospectively when the outcomes are achieved? *JP – we are looking at various approaches to payments, for example, payments by results, staged payments or progress towards targets etc.*
- Collaboration might work well where farms are quite similar but it’s harder where neighbouring farms are very different such as chickens in sheds, intensive dairy farms and livestock. *JP – we don’t necessarily need all farms to be similar to deliver certain outcomes.*
- You will need collaboration on water quality. *JP – yes, where water quality outcomes are to be achieved.*
- Is ELMS only targeted at areas like the uplands, with fewer options? *JP explained the range of potential participants in ELMS which would not solely be a farming and forestry scheme.*
- More intensive farms outside ELMS could do more environmental damage than is being delivered by ELMS.
- *JP – Collaboration may be different for different outcomes, for example, farmers and water companies.*
- What if you are surrounded by people who don’t want to enter into a scheme? *JP – ELMS is not like agri-environment as it is not based on single farm plans. You can do different things on neighbouring farms but need to apply jointly, not individually.*
- We will need a group of people like Cath [Cath Landles – Shropshire Hills AONB Partnership and meeting organiser] before we can work together.
- You could have four farms with 20 acres each or 2 farms of 1,000 acres. *JP – yes, it would depend on the outcomes being delivered.*
- The scheme has got to be open to individual farmers. You can’t get MPs to work together and how many farmers are there across the country?
- Why can’t it work on an individual farm basis within a plan for the wider area? *JP – It can.*
- Who will prepare the area plan?
- Defra is putting another hurdle in the way by forcing people to work together to do it and it will be another reason not to do it.
- The new scheme sounds much more complicated!
- Defra should focus on the components of the scheme, not the collaboration.

- In this area, the variation in soils means that you have different land types on different farms so could be delivering different benefits.
- With organic farming you have proven environmental benefits as no sprays or artificial fertilisers are used, so the scheme should incentivise that and they will then get collaboration in the area.
- *JP – the scheme is about managing and protecting landscapes as much as about improving water quality etc. so, we are testing what is needed to make this happen. Nothing is decided yet and everything is on the table.*
- *JP – Tests and trials are starting soon. In 2021, national pilots start to test on a bigger scale over 3 years and, in 2024, there will be a national roll-out.*
- A lot of outcomes will be medium to long-term so what happens to a farmer who rents a field for the year or a tenant farmer? *JP - We are testing what happens in a range of tenant situations.*
- You said about the need for simplicity but, listening to what we have heard tonight, the scheme will be far from simple. *JP – we are testing so that when the scheme rolls out in 2024, it will be simple to use.*
- Are all four nations working to public money for public goods? *JP – No. So why are the English? JP – the approach being developed in England is based on the responses to the consultation on ‘Health & Harmony’.*

Responses to final slide of the presentation:

1. What would encourage you to join the scheme?
  2. What would be barriers to your participation?
  3. What environmental benefits can be delivered?
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1. What would encourage you to join the scheme?
    - Money! You have got to make participation worthwhile so that the scheme does more than ‘bridge the gap’.
    - Participation in the scheme needs to be on an individual basis to a collective objective.
    - Participation would need to fit in with what we do now but there are too many uncertainties to tell what would be best.
  2. What would be barriers to your participation?
    - Different types of farm being required to collaborate would be a barrier to participation.
    - What happens if collaborators drop out?
    - The scheme sounds ridiculous and complicated and the prospect of having no market for lambs due to Brexit, phasing out payments and no money until 2024 makes me want to get another job!
    - The scheme makes farmers just be park keepers.
    - It will be hard for older people to adapt to the new system.
    - I am concerned about administration, it will need to be in plain English, have good advisers and with payments on time.

- Farmers are faced with a choice to either go through rewilding – but they don't want to commit the next generation – or intensification, so the middle-ground is at risk.
- Collaboration may be fine but you need to know your future income on an individual farm basis – the actions of one farmer should not impact financially on others.
- Barriers – you say it's going to be simpler, but if you are going to force people to collaborate, it's making it more complicated.
- We have lost the idea of 'hill farming' and LFA status – it has not been referred to once tonight.
- A change of mindset is required in many farmers for a successful uptake of the ELMS scheme and I think it is unrealistic for a mindset that has been highly focused and rewarded for production since subsidies were introduced to now be changed along with many of the traditional farming systems that people have worked and invested towards over generations. In just 2 years, if any serious numbers of farmers are to participate in ELMS, many will need to make significant changes to their businesses in what are already uncertain times.
- Are we going to be rewarded for what is already being delivered? JP – it's not just about improving but also about maintaining environmental benefits.
- How is the scheme going to pay active farmers on a common when lots more people have rights?
- Can payments be monthly?

### Thanks given and meeting ended.

NS requested that people give consent if they are happy for the Uplands Alliance to communicate directly with them by email, and undertook to circulate the notes as soon as possible.

Farmers who attended the meeting: Brian Lloyd; Tom Lloyd; Alistair Beedles; Ben Prince; Doug Heighway; Chris Dahn; Maggie Tate; Andrew Beavan; Matt Betton; Steve Pennington; James Pennington

The following sent apologies but would like to receive the meeting notes and be kept informed: Joy Greenall; James Evans; Lizzie Hulton-Harrop

### Comments received after the meeting:

How flexible will ELMS be for farmers whose circumstances change relatively suddenly and significantly as some of the outcomes appear to require a reasonably long-term commitment to achieve them? And how will these long-term goals be paid out on as significant costs may be required to obtain the outcomes but if a farmer after incurring costs is unable to meet the outcome promised? Is he left out of pocket as the scheme will only pay out on outcomes achieved? That element of risk would concern me if it was present.