

Agri-Environment Schemes, Rural Payments and Assessment of Current Intentions of Grazing Marsh Farmers in Response to some of these Changes
Report by Senior Ecologist

Summary: This report summarises the current changes in the European Union's Common Agricultural Policy and the 2015 changes in the UK's Rural Development Programme, including agri-environment payments. The next seven year investment cycle will result in Defra investing over £3.5 billion to grow the rural economy and improve the environment. This will involve a more targeted and less 'whole landscape' approach to agri-environment payments. An overview of the range of rural development schemes to support the environment productivity and growth are outlined in this paper.

In addition, to investigate marsh farmers' views and intentions in response to some of these changes and their impacts within the grazing marsh environment the Broads Authority commissioned a questionnaire and analysis. The main messages from this work are outlined.

Recommendation:

That members are asked to note the implementation of the new Rural Development Programme for 2015 and the findings of the Management of the Marshes report and to:

- (i) support ongoing collaborative working through existing partnerships and where possible communicate and facilitate access to the new Rural Development Programme;
- (ii) support further farmer collaboration and landscape scale delivery through such schemes as the proposed HLF Landscape Partnership and involvement in the RSPB futurescape; and
- (iii) use the Broads Authority mapping and the findings of the Management of the Marshes report to feed into the targeting and prioritisation work for NELMS.

1 Context

- 1.1 Rural Development Payments provide opportunity to maintain the Broads rural communities, business and wildlife. The Broads Plan agriculture objectives recognise that agriculture and land management are significant parts of the Broads landscape.

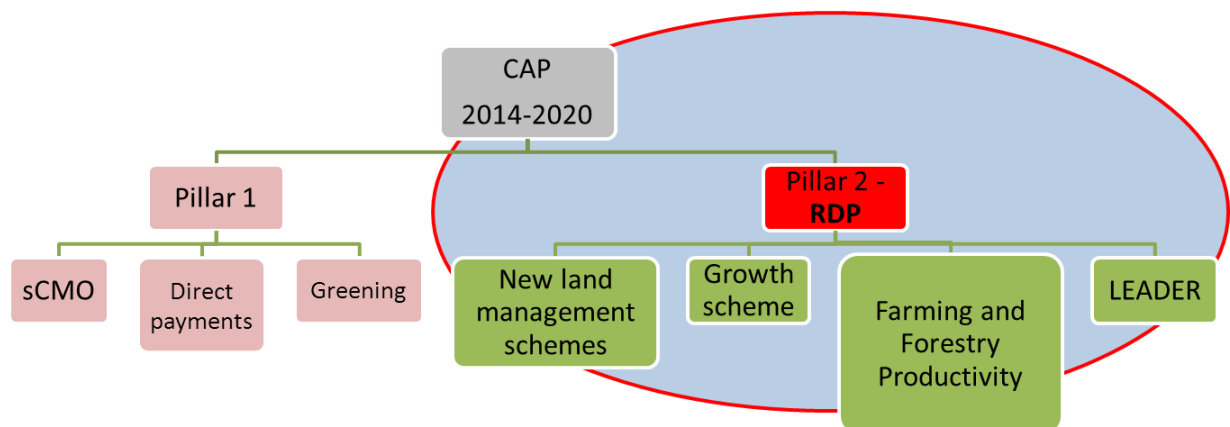
- 1.2 Agri-environment Schemes are essential to the achievement of two of the four objectives of the Biodiversity and Water Strategy, 'Integrated landscape-scale approach to habitats and species conservation' and 'Reduce environmental pressures on Broads habitats and species within a catchment approach'.

2 Common Agricultural Policy

- 2.2 Reforming the Common Agricultural Policy (CAP) to ensure a fair deal for farmers, consumers and taxpayers.
- 2.3 Implementation of the new Common Agricultural Policy regulations are well underway. The new schemes will start in 2015.
- 2.4 There will be changes to the schemes under which CAP money is paid, but many things will stay the same. There will still be 2 'pillars'. Pillar 1 provides direct payments to farmers. Pillar 2 promotes rural development.

3 Direct Payments

- 3.1 The single farm payment will be replaced by a new direct payment made up of a basic payment, a payment for greening and a further payment for young farmers.
- 3.2 **Basic Payment Scheme** will replace the current Single Payment Scheme (the main system through which we pay farmers under CAP) with the Basic Payment Scheme.
- 3.3 The details of the new scheme will be developed throughout 2014 and information published to help claimants make decisions and get ready for the 2015 start dates. Defra will publish final guidance for customers in early 2015. Applications under the Basic Payment Scheme can be made from early 2015.
- 3.4 From 2015 those who are eligible to be part of the '**young farmers scheme**', will receive an additional payment. The payment will be approximately 25% of the payment under the Basic Payments Scheme for each of the first 5 years.
- 3.5 **Greening** is the requirement to follow specific environmental farming practices. 30% of the direct payments to farmers will be linked to a new set of 3 greening requirements:
- crop diversification
 - maintenance of permanent grassland
 - the need to establish Ecological Focus Areas on 5% of arable land



Pillar 2:

- 87% or £3.1bn on the environment
- 5% or £177m on Growth
- 4% or £138m on LEADER
- 4% or £141m on Farming and Forestry Productivity

Figure 1. Diagram of the Rural Development Programme
 'sCMO' refers to Common Market Organisations

4 Rural Development Programme

- 4.1 The new Rural Development Programme will begin on 1 January 2015 and it will support a range of schemes. Over the next seven years Defra will invest over £3.5 billion to grow the rural economy and improve the environment under this programme.

Environment

- 4.2 The aim of this scheme will be to support measures to restore, preserve and enhance our **natural environment**. The existing Environmental Stewardship and English Woodland Grant schemes will be replaced with a single new scheme. Farmers, foresters or other land managers (conventional or organic) will be able to apply.
- 4.3 This new environmental land management scheme (NELMS) is a significant tool to achieve outcomes supporting:
- The Biodiversity 2020 (consistent with EU Birds and Habitats Directive)
 - The Water Framework Directive and flood risk management
 - Government Forestry and Woodland Policy
 - The European Landscape Convention
 - Climate Change: National Adaptation Programme (NAP)
 - Natural Environment White Paper and Water White Papers

Productivity

4.4 The aim of this scheme will be to support measures to make farming, forestry and land-based businesses more competitive and efficient. See the RDPE network for more information.

4.5 Around £140m will be spent on:

- supporting innovation to help translate research into practice skills and training
- greater co-operation and collaboration between farmers and others in land-based sectors (including agri-food)
- projects which deliver multiple benefits (such as tackling environmental problems alongside improving agricultural output)

Growth

4.6 The aim of this scheme will be to support rural economic growth. By allocating £177 million (5%) to the local enterprise partnerships through this scheme (the Norfolk and Suffolk LEP is 'New Anglia'). Defra will also allocate £140 million (4%) of the funding to LEADER Local Action Groups (the Broads has two relevant LAG's – Broads and Waveney). These groups aim to improve the quality of life and prosperity of rural communities through locally driven initiatives. Broads Authority officers have commented on the strategy for these LAGs and is an active part of the groups.

5 Online Services

5.1 Defra is developing online services to improve the way customers (mostly farmers) can communicate with us and how they're paid.

5.2 Since July 2014, some existing customers have been able to check and update their registration details online. The new system will continue to be rolled out and developed throughout the year.

5.3 Customers will be able to manage their CAP scheme and report changes on one online system. It will make the process quicker and easier both for customers and for government.

6 Grass Marsh Farmer Questionnaire 2014

6.1 The Broads Authority and Norfolk Biodiversity Partnership commissioned Farm Conservation to find out the intentions of farmers and landowners in respect of grazing marsh management post Environment Sensitive Area (ESA) and Environmental Stewardship (ES) Schemes. Although it should be recognised that land that was entered into Entry Level stewardship is under management for up to a further five years and that the land that went into Higher Level stewardship is under management for a further ten years. The full report will be available on the Broads Authority website (see Appendix A).

6.2 The report is based on quite a low sample size (56 questionnaire responses from 458 surveys sent out, plus some telephone interviews) but the findings

are none the less very interesting. My headline messages based on the report are:

- 6.3 NELMS will provide more targeted use of resources aimed at achieving government commitments for biodiversity and water, rather than a whole landscape approach. Targeting will focus on funding farmers to protect features such as species rich ditches and peat marshes, breeding and wintering wildfowl, fens, reedbeds and historic sites.
- 6.4 The report indicates that potential changes in support levels, which will vary for each landholding, are likely to result in agricultural improvements as some marsh farmers respond to the new agri-environment.
- 6.5 Farmers, as with all business, need to maximise income. The results of the questionnaire show that 46% of respondents are intending to make some change, with increased fertiliser application being the most common planned change to increase productivity.
- 6.6 The survey indicates that there will be only limited ploughing of marshes. The reasons for this are complex, but include factors such as; tradition, ownership of stock, familiarity with this type of farming, unsuitability of land for arable, and love of the landscape and wildlife. Environmental Impact Assessment regulations and requirements to retain permanent pasture under Greening also play a part. However with volatile markets and further changes in beef and dairy sectors, farmers may need to react quickly to future opportunities.
- 6.7 Other changes that the responding farmers indicated include a few saying that cutting dates for hay and silage may change, and following coming out of ESA they would be more likely to follow the ground conditions to make decisions on the timing of stock turn out.
- 6.8 The report outlined the effect of wheat prices, beef and dairy sector changes on decision making within the farm business. When the Broads Authority commissioned this project wheat was around £200 per tonne. During the data collection phase wheat price halved to around £100/tonne. This means the incentive to turn marshes to arable is significantly reduced at the moment, but in a volatile market this is unlikely always remain the case. Another factor that has changed is the fact that prices remain high for bio-fuel crops (particularly maize).

7 Next Steps

- 7.1 Defra supports the role of National Parks and the Broads Authority to communicate and facilitate access to the new Rural Development Programme. Although limitation within the current Broads Authority resources to achieve this needs to be recognised.
- 7.2 Remote sensing, when repeated, can be used to monitor intensification of marshes. Also any future surveys of ditch communities, marsh plants and wintering and breeding birds will help assess any environmental change and compare this to any management changes.

- 7.3 Natural England and farm advisors to continue to disseminate soil protection advice and best practice to farmers in the catchment area through the farm advisory network, for example; provide free on farm fertiliser spreader calibration and ensure sufficient buffer zones are enforced beside ditches to protect this internationally important habitat.
- 7.4 The Broadland Rivers Catchment Partnership and Brograve Partnership are seeking agreement and funding for innovative ways to manage water holistically (such as farming, flood, drought and wildlife), whilst protecting productive farming business and the values of the Broads historic landscape.
- 7.5 The new EU Rural Development Regulation recognises the scope for collaborative working. Ministers are keen to see the types of collaboration, which have been well delivered within National Parks for decades and more recently the Defra funded Nature Improvement Areas.
- 7.6 The purpose of this type of work is to enable and **facilitate delivery of NELMS** priorities and outcomes via complementary NELMS agreements with individual farmers, foresters and/or land managers.
- 7.7 There are three key principles to achieving this that will enable the cooperation approach to build on and go beyond what is possible through a standard individual-farm approach. These are:
- (i) Landscape scale delivery
 - (ii) Supporting and empowering groups of farmers, foresters, and/or other land managers and, where desirable/feasible, other organisations
 - (iii) Integrating delivery of a range of environmental outcomes (biodiversity, water quality, carbon storage, access etc).
- 7.8 This facilitation fund may be a good opportunity to gain additional funding to deliver the Broadland Rivers Catchment Partnership (BRCP) aims. Most elements of NELMS facilitation align with the BRCP priorities. For example, engaging with local Defra-family representatives to strengthen relationships with the agencies and land managers, is a priority of this fund that combines with the BRCP aims. The services and roles that the BRCP could offer and the potential benefits to all parties will be assessed in detail.
- 7.9 Use the evidence in this report to feed into the Natural England targeting work to prioritise areas for NELMS.

Background papers: Gelpke, S., Thompson, H., Walker, H., (2014) Management of the Marshes. Analysis of the intentions of farmers and landowners in respect of marsh management post ESA and Environmental Stewardship, Broads Authority and Norfolk Biodiversity Partnership Report. The Broads, UK.

Broads Plan Objectives: AL1, AL2, AL3, LC2, BD1, BD3, BD5.

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Appendices: Appendix A: <http://www.broads-authority.gov.uk/broads-authority/committees/broads-authority/broads-authority-21-november-2014>