

COUNTRYSIDE ALLIANCE BRIEFING NOTE:

ENVIRONMENTAL LAND MANAGEMENT SCHEME FUNDING FOR UPLAND AREAS

Westminster Hall, Tim Farron MP

Wednesday 03 May 2023

Key points

- **Using the skills and experience of farmers is often the best way to improve biodiversity and secure the future of our vital natural resources.**
- **If farming in upland, and other marginal areas, were to be abandoned because of changes to support payments, there would be detrimental effects on the habitat in these areas and the species they support.**
- **The conservation work of farmers is often supported by other forms of land management, such as the work of grouse moor managers. More than 80 per cent of English grouse moors fall within a National Park or Area of Outstanding Natural Beauty and are popular for outdoor pursuits.**
- **England's uplands have received £230 million per annum from the CAP at 2019 prices. As a minimum, this total needs to be guaranteed long term to secure the future of upland farming. The transition from CAP to a new agricultural policy must not be used to reduce the amount of funding to upland communities.**
- **The view from the sector is that much work remains to be done for Environmental Land Management Schemes (ELMS) to be in a fit state for full implementation, particularly where applied to upland farms.**

Background

- The Countryside Alliance worked with a cross-party group of MPs to help table an amendment to an earlier Agriculture Bill to provide the Secretary of State with specific powers to provide financial assistance for the purpose of “supporting upland landscapes and communities” in England.
- While the amendment was not adopted in that form, a revised edition of the Bill tabled after the 2019 General Election, which subsequently became the Agriculture Act 2020, specified on its face that *“cultural or natural heritage” [whose promotion was a public good for which public money might be spent] includes uplands and other landscapes*.¹

¹ [Agriculture Act 2020](#), 1 (5)

Benefits and challenges

- Farmers in the uplands, and other marginal areas, are generally limited to low intensity grazing which has small profit margins and is often more exposed to market volatility than other sectors of the industry.
- Using the skills and experience of farmers is often the best way to improve biodiversity and secure the future of our vital natural resources. If farming in upland, and other marginal areas, were to be abandoned because of changes to support payments, there would be detrimental effects on the habitat in these areas and the species they support.
- Without direct income support many hill farmers will struggle to make a profit even with income from diversification. Their work, however, often provides the most amount of public good in creating and maintaining some of our most iconic rural landscapes which support many of our rarest habitats and wildlife and are central to rural tourism, which is worth £19 billion a year to the UK economy.
- We are concerned by suggestions that existing management should be withdrawn or scaled back as part of a policy of 'rewilding'. Supporters of 'rewilding' often see farming as an obstacle to conservation, but this ignores its benefit in many areas. If remote areas were abandoned as part of a policy of 'rewilding' they would soon revert to scrub or woodland which would threaten some of our rarest moorland and grassland habitats.

Grouse moors

- The conservation work of farmers is often supported by other forms of land management, such as the work of grouse moor managers. More than 80 per cent of English grouse moors fall within a National Park or Area of Outstanding Natural Beauty and are popular for outdoor pursuits.
- Grouse moors are sustainably managed, largely through private investment by their owners who spend approximately £52.5 million every year on moorland management and support the equivalent of 1,500 full-time jobs. They also bolster the economy of upland areas by attracting tourists and boosting tourism-related revenue. Income generated from grouse shooting supports future land management, remote rural communities and the maintenance of traditional moorland skills.
- Any new agricultural policy should therefore seek to accommodate and work with other upland land management practices, including shooting.

Common Agricultural Policy support for upland farming

- England's uplands have received £230 million per annum from the CAP at 2019 prices. As a minimum, this total needs to be guaranteed long term to secure the future of upland farming. The transition from CAP to a new agricultural policy must not be used to reduce the amount of funding to upland communities.
- The CAP has offered different levels of payment for farmers in "Less Favoured Areas" under the CAP, so the principle that upland farmers require greater financial support has already been established. We strongly believe this principle should be continued in future agricultural policy.

ELMS implementation progress

- The view from the sector is that much work remains to be done for Environmental Land Management Schemes (ELMS) to be in a fit state for full implementation, particularly where applied to upland farms.
- The Financial Times reported on the issue in March. Its article stated, *“Hill farmers in particular are being offered payment rates far below those paid within the EU, leaving their finances in a precarious state, which is pushing some to increase livestock cultivation rather than restore nature.”*²
- Earlier the Uplands Alliance responded to the EFRA Select Committee’s inquiry into the progress of ELMS implementation: *“Progress remains slow. Six years after the EU referendum, Defra has only got to the stage of rolling out three, rather unambitious, SFI standards focusing almost entirely on soils management... [W]e would emphasise the need for ELM as a whole to give... weight to the biodiversity challenge. It remains unclear how the various standards which have yet to be launched will stack up with those already in existence. Farmers need to know the whole picture before they can make informed decisions on engaging with the scheme.”*³
- The National Sheep Association responded in similar terms. It went on to add: *“Not only have global food prices impacted the attractiveness of the scheme but the general volatility surrounding the agricultural sector, high input prices, little continuity from Government, poor trading relationships with the EU, and difficulties with the NI protocol, has in many instances encouraged businesses to focus on what their businesses needs to do to survive. In many instances larger farms are planning to move away from the ‘absolute’ importance of BPS and are focusing on what can provide the best returns going forward, for many businesses the financial incentive on offer for the amount of input, work and time taken to achieve isn’t comparable to pushing for slightly higher yields for a better return.”*⁴
- The NFU has focused on concerns that farmers are being forced to de-stock their land as a precondition for receiving environmental funding: *“Yet we’re hearing that farmers are being forced to reduce or remove their livestock to obtain Sites of Special Scientific Interest (SSSI) consent for Higher Level Stewardship rollovers... The decision to remove stock comes without any consultation or support to counteract the loss of income to businesses and Defra continues to fail to provide suitable options in the Environmental Land Management scheme (ELMs) for uplands farmers.”*⁵
- There has also been academic research into the viability of ELMS providing adequate funding levels for upland farmers. In a paper for Land Use Policy, Holt and Morris wrote: *“We conclude that plugging the income gap could require a threefold increase in net income from environmental options... Furthermore, as environmental services become a core business function, payments by results must provide sufficient return on effort and assets to maintain the viability of the upland farm business.”*⁶

² Financial Times, [Upland farmers lose hope for Brexit dividend](#), 05.03.23

³ [Written evidence submitted by Uplands Alliance \(EPU0034\)](#)

⁴ [Written evidence submitted by the National Sheep Association \(EPU0014\)](#)

⁵ NFU, [‘We need to talk about the uplands’](#), 24.03.23

⁶ Holt, A.; Morris, J. [Will environmental land management fill the income gap on upland-hill farms in England?](#) Land Use Policy, V122, November 2022

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