

Farming in Wales and the UK

Westminster Hall debate briefing

5th March 2024



Background

- Following Brexit, England is transitioning to the new Environmental Land Management scheme (ELM). This system rewards farmers for delivering public goods, like carbon sequestration and nature restoration, rather than paying them based on the amount of land they manage as the EU scheme did.
- ELM is made of three schemes: the Sustainable Farming Incentive, Countryside Stewardship, and Landscape Recovery. The first is the entry level scheme incentivising small-scale actions with small-scale payments, whilst the other schemes are more ambitious.
- Currently [68 per cent of land in England is farmed](#). Farming has a major impact on nature, as well as being a significant source of carbon emissions, but farmers are the key to nature's restoration. They must be supported to change their practices to remain resilient in a time of nature and climate crisis.
- Alongside new subsidy schemes, the government has committed to publish a Land Use Framework for England, which would ensure that competing demands on land are met in the most appropriate way. This was due to be published in 2023, but has not been.

What is the relationship between food security and a healthy natural world

- Food security and a healthy natural world go hand-in-hand. Defra's own [Food Security Report](#) identifies climate change and biodiversity loss as the greatest threats to UK food security.
- Without healthy soils and thriving pollinators, farmers cannot produce the food we need and become increasingly reliant on expensive fertilisers and inputs.
- In addressing concerns about food security, the UK government must support farmers to transition to more sustainable methods, safeguarding the future of farm businesses and domestic food production from an increasingly volatile climate.
- If we use ELM to support land use change on land that is poorly suited to growing food, the UK can create more habitats, lock up more carbon and boost wildlife numbers on and around farms. Just [one per cent](#) of calorie production in England occurs on the least productive 10 per cent of farmland, so these changes can be made with little impact on food production.

How can post-Brexit farming payments boost farm incomes?

- Many farmers in the UK struggle to make a decent living, particularly grazing farms. The [latest farm data](#) shows the income of lowland grazing livestock farms last year was £21,600. Without basic payments, these farms would have taken home an income of just £7,800. To survive, these farms must increase their income from ELM.
- [Analysis from Green Alliance](#) shows changing payment rates under ELM to match the value attached to climate change mitigation elsewhere in the economy could support good farm

incomes. The average upland farmer could maintain their income, even after current subsidies are removed, by planting a third of their land with trees, assuming they could break even on agricultural production.

- Higher incomes would be available for innovative farmers on poor quality agricultural land who shift more to part woodland, part grazing, and partly restored peat-based business models. But Defra needs to change how it is administering ELM to make this possible.
- Some farmers do already make significant profits. Those on moderate to high quality agricultural land, like cereal farms, are profitable from food production alone – 2023 data [shows that](#), on average, their income is over £150,000.

Do farmers want to protect nature on their farms?

- Farmers want to protect nature and many are keen to do so by taking part in the two more ambitious ELM schemes, Higher Tier Countryside Stewardship and Landscape Recovery.
- Last year thousands of farmers [signed a petition](#) to then-Environment Secretary Therese Coffey asking for greater access to these schemes, which can offer upland and lowland grazing farmers a viable business model. Landscape Recovery has been [significantly oversubscribed](#) for both rounds of applications.
- Whilst January's [Agricultural Transition Plan Update](#) committed to doubling the number of farmers allowed into these schemes for 2025/26, this still falls far short of the number of equivalent agreements processed a decade ago.
- According to the government's own figures, the lower ambition Sustainable Farming Incentive can deliver no more than [3% of the emission cuts](#) needed from the UK's farming and land use sector in the next four years, and [just 4 per cent](#) of the cuts needed from 2028-2032. Therefore, focus must be directed towards other schemes.

What can government do?

- Commit to processing 3,000 new higher tier agreements a year. Ambitious farmers must be allowed to take part in Higher Tier Countryside Stewardship and Landscape Recovery, which can provide them with better incomes and significantly boost nature's recovery.
- We must not undermine British farmers' ambition by allowing food to be imported which was produced to lower environmental and animal welfare standards. All trade deals must be underpinned by core environmental standards that align with those set in the UK.
- Make an improved advisory offer. With over 300 potential actions in ELM, many farmers will need support to choose the right actions for them. Advice can help deliver higher quality environmental outcomes, business benefits and increased farmer buy-in. A new advisory offer should increase access to ecological expertise and develop a strategic programme of farmer-to-farmer peer learning.

Suggested interventions

- Will the government set out how ELM is delivering on its legally binding targets under the Environment Act 2021?
- When will the Government publish its Land Use Framework for England, which was due by the end of 2023?
- Will the government commit to publishing a roadmap for how they will grow the Higher Tier Countryside Stewardship and Landscape Recovery schemes to meet the demand from farmers wanting to join these ambitious schemes?