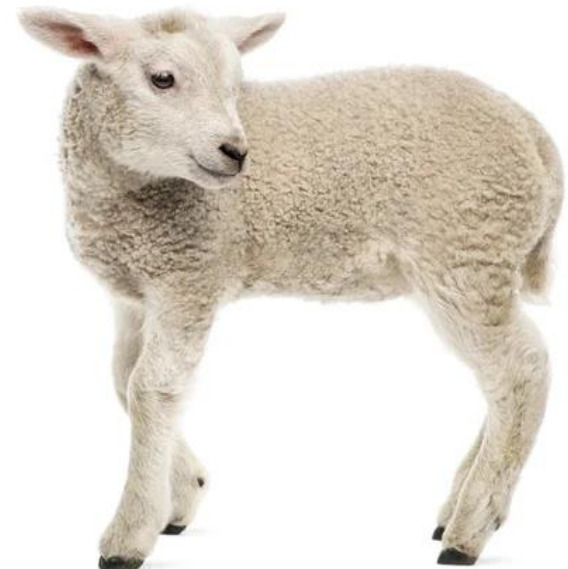


SPRING BRIEFING 30th March 2023



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What's new in 2023?

OVERVIEW OF SCHEMES

- **ELMS has been downscaled**
- **Local Nature Recovery will now not be introduced**
- **Countryside Stewardship will remain post 2024 and will “evolve” to include around 30 more actions by the end of 2024.**
- **Sustainable Farming Incentive (SFI) is open and 6 more actions will be added in 2023. Aim to offer SFI and CSS in one integrated service**
- **Landscape Recovery – available for large-scale landscape projects**
- **Basic Payment Scheme winding down to 2027**

Sustainable Farming Incentive



- **Scheme launched in July 2022 and remains open to applications**
- **Introductory and intermediate levels available under three schemes**
 - Arable & Horticultural Soil (£22/ha or £40/ha)
 - Improved Grassland Soils (£28/ha or £58/ha)
 - Moorland and Rough Grazing (£10.20/ha)
- **6 new standards being introduced later in 2023 (July?)**
 - the hedgerows standard
 - the integrated pest management standard
 - the nutrient management standard
 - the arable and horticultural land standard
 - the improved grassland standard
 - the low input grassland standard

Agreement Rules for SFI

- **Lasts for 3 years, but some flexibility to amend every 12 months**
- **Can increase the “ambition level” and coverage every 12 months to:**
 - Incorporate additional standards as they become available
 - Add more land to agreements
 - Increase ambition levels within a standard
- **Can only reduce ambition or coverage in exceptional circumstances**
- **Payment rates for initial 3-years will be fixed (but can be paid the higher rate if you increase ambition level)**
- **Must have management control of land**
- **Can run with CSS as long as it is not paying twice for the same thing**

Introductory level (£22 per hectare)

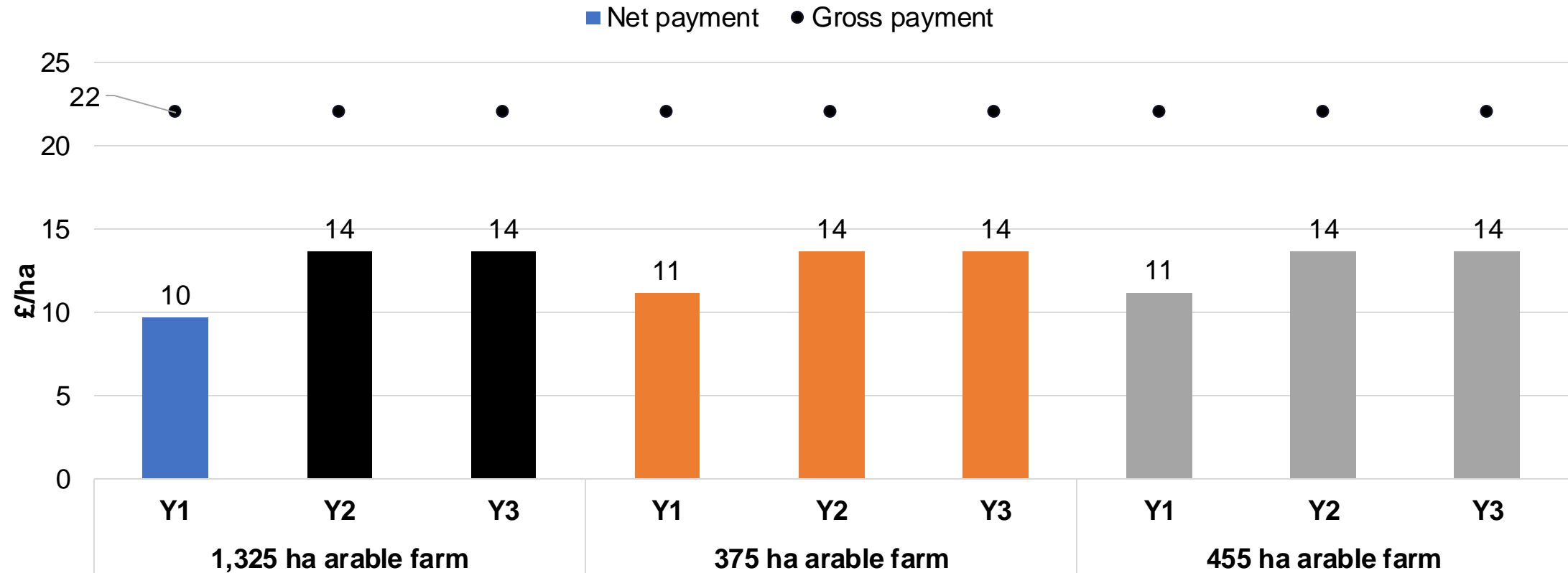
- Test soil organic matter, and undertake a soil assessment
- Produce a soil management plan
- Ensure 70% of land has winter green cover (Dec – Feb)
- Green cover includes autumn sown crops, cover crops or stubbles
- Organic matter must be added to 1/3rd of the land in each year

Intermediate level (£40 per hectare)

- Additional to the Introductory level
- Multi-species green cover should cover at least 20% of land

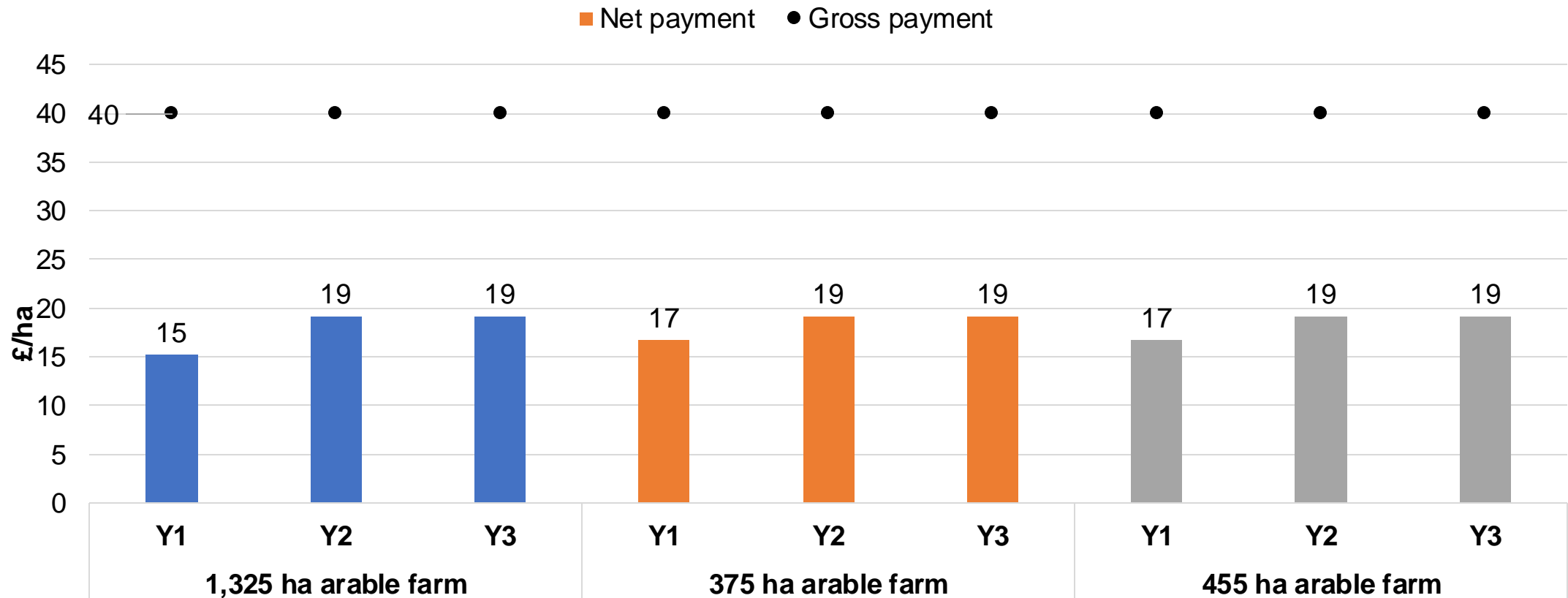
Net income (Introductory)

(Source AHDB)



Net income (intermediate)

(Source AHDB)



Improved Grasslands Soils

Introductory level (£28 per hectare)

- Test soil organic matter
- Undertake soil assessment and produce soil management plan
- Ensure 95% of land has green cover to protect soil

Intermediate level (£58 per hectare)

- Additional to the Introductory level
- Establish or maintain herbal leys on 15% of the land to improve soil health

Hedgerow Standards

- **Assess and record hedgerow condition (£3 per 100 m one side)**
 - Produce a written hedgerow condition assessment record within 12 months, and review and update record each year
- **Manage hedgerows (£10 per 100m one side) [BE3 variation]**
 - cut each hedgerow incrementally, either once every 2nd or 3rd year, or leave uncut but manage in a coppicing or laying rotation
 - Lightly trim newly-established hedges
- **Maintain hedgerow trees/plant new ones 1 per 100m (£10 per 100m)**
 - Average of 1 tree per 100m. New trees should be existing saplings or planted new ones
- **Eligible hedgerows are those less than 10m wide (5m under CSS)**

Integrated Pest Management

- **Complete integrated pest management assessment & plan (£989 p.a)**
 - BASIS qualified adviser completes an IPM assessment of land in the action and helps write IPM plan. Must be done in first 12 months and reviewed annually
- **Establish and maintain flower-rich grass margins/blocks (£673/ha)**
 - In first 12 months, establish margin with 4 grass species (excluding rye grass) and 10 wildflower species none exceeding 25% of mix. A variation on AB8.
 - “Not to be cut or grazed with livestock in a way that means the aims can not be achieved”
- **Establish a companion crop (£55/ha)**
 - Establish a companion crop so it grows with the main crop. Can either be on the same parcel each year or move around the farm
- **No use of insecticide (£45/ha)**
 - You can use a single area or move around each year. Can be used with other SFI options

Nutrient Management Standard



- **Nutrient management assessment (£589 p.a)**

- FACTS qualified adviser visits farm to complete a nutrient management assessment and helps write a NM report within first 12 months; review and update thereafter

- **Establish and maintain legumes on improved grass (£102/ha)**

- Establish legumes (e.g. clover, lucerne) with grass or sown into existing grass in first 12 months and manage in subsequent years [GS4 variation]

- **Establish and maintain legume fallow on arable (£593/ha)**

- Establish a legume fallow with legume (e.g. clover, trefoil, vetch, lucerne) with flower species and grasses in first 12 months. Can not graze and must maintain for subsequent 2 years. [AB15 variation]

Arable and horticultural land

- **Establish and maintain blocks/strips of pollen and nectar flower mix (£614/ha)**
 - Sow a grass-free seed mix in first 12 months with min. 6 flower species, none exceeding 50%, and maintain for subsequent years. [AB1 variation]
- **Establish and maintain blocks or strips of winter bird food (£732/ha)**
 - Sow blocks or strips of min. 6m wide with at least 6 seed crops in first 12 months. Can remain on same parcel or move. May need to re-sow. [AB9 variation]
- **Establish and maintain grassy field corners and blocks (£590/ha)**
 - Sow or regenerate in first 12 months. Can graze or cut in first year but leave alone thereafter. Can not use for regular vehicle turning or storage.
- **Establish and maintain a 4m-12m buffer strip on arable and horticultural land (£451/ha)**
 - Sow/regenerate grass strip 4m to 12m wide in first 12 months and maintain thereafter. Can't be used for regular vehicle access/storage. Can graze but sward must remain. [SW1 variation]

Improved Grassland Standard

- **Take grassland field corners or blocks out of management (£333/ha)**
 - Leave areas unmanaged for 3 years to form tussock grass. Can't cut or graze or carry out activities that disturb breeding birds
- **Maintain improved grassland to provide winter bird food (£474/ha)**
 - Manage grassland to allow it to go to seed for winter food for birds. Can cut for silage and hay but leave un-grazed afterwards to go to seed. Can stay in same parcel or move around each year. [variation of GS3]
- **Establish and maintain 4m-12m buffer strip on grassland (£235/ha)**
 - Regenerate grass strip 4m to 12m wide in first 12 months and maintain thereafter. Can't be used for regular vehicle access/storage. Can graze but sward must remain. [SW2 variation]

- **Manage grassland with very low nutrient inputs (£151/ha)**
 - Must not apply more than 12 tonnes of cattle FYM or inorganic nutrient equivalent, or apply digestate
 - Maintain a sward at all times and avoid poaching
 - Maintain any existing areas of scrub or wet features, and minimize bare ground
 - If to be cut, not at a time to disturb nesting birds. Must be shut up for 7 weeks during spring and summer between grazing and cutting
 - Variation of GS2



Countryside Stewardship

- **Mid Tier and Higher Tier Schemes scheduled to remain post 2024 instead of ELMS Local Nature Recovery. Rates have increased**
- **Higher Tier - have until 28th April to submit initial application. A final application is then developed with Natural England (Jun – Aug)**
 - Capital items now have 3 years to complete
 - Length of agreement depends on options chosen (5, 10 or even 20 years)
- **Mid Tier – opened on 21st March and closes on 18 August 2023**
 - Agreements for 5 years for multi-year options and 3 years for capital items
 - Wildlife Offers still available as a quick and easier package (although SFI actions may suit better)

CSS Capital only grants

- **Capital only grants available if already in Higher or Mid tier provided the parcel isn't already locked into a CSS agreement (or an open capital grant)**
- **Now have 3 years to do the work (up from 2)**
- **Payment rates have increased for applications after 5th January 2023**
 - RP15 (concreting yard renewal) now £33.64/sqm (was £27.14/sqm)
 - RP18 (above ground rainwater tanks) now £73.34/ cubic m (was £100/cubic m)
 - RP27 (sprayer washdown area) £35.86 sqm (was £40/sqm)
 - RP28 (roofing washdown/manure store/livestock handling) now £72.50/sqm (was £62/sqm)
 - FG2 (Sheep netting) now £7.47/m (was £4.90/m)
 - FG12 (wooden field gate) now £489.90 per gate (was £390 per gate)
 - BN5 (hedge laying) now £13.52/m (was £9.40/m)



Agricultural Development Grants

Farming Investment Fund



Farming Equipment and Technology Fund

- Productivity and Slurry portal open until 4th April 2023
- Animal Health and Welfare portal open until 15th June 2023
- Online application for farmers, horticulturalists, foresters and contractors
- Grants between £1,000 and £25,000

Farming Transformation Fund (FTF)

- Currently closed to new applicants
- Four themes – Slurry Infrastructure, Adding Value, Water Management and Improving Farm Productivity
- May open for further rounds (grants £25k - £250k), but no indication as to when

- **No grants currently available for support with rural development unless community led or for education**
- **Government are not giving any indications at this stage of any scheme going forward**
- **Renewable technology now largely self-funded (i.e. through lower cost of technology and income generation)**
- **Lending likely to tighten with increased interest rates and inflation**
- **Important to have strong and robust business plans when approaching lenders....and a strong balance sheet!**

A photograph of a young forest or nursery. In the foreground and middle ground, numerous small, newly planted trees are visible. Each tree is protected by a vertical, translucent green plastic sleeve. The ground is covered in green grass and some dry, brownish vegetation. In the background, a dense line of mature trees forms a forest. The sky above is filled with soft, grey clouds.

Natural Capital Opportunities

Biodiversity Net Gain (BNG)

- From November 2023, large developments will need to offset biodiversity loss with BNG >10%, either on-site or off-site. From April 2024 this will include small developments too.
- Landowners can sell biodiversity units to developers looking for BNG off-site, but land needs to be on the BNG register
- Use an ecologist to calculate the number of units using the biodiversity metric
- Value of biodiversity units varies depending on complexity and availability within the area (Local Authority led)
- Agreements for management are for 30 years so only tie up land that is available long term

Nutrient Mitigation

- **From March 2023, developers require mitigation certificates from Natural England, or credits for offsite provision, to ensure nutrient neutrality on new developments**
- **Landowners can apply to have land allocated as creditable, by promise to undertake management practices that offer nutrient mitigation (wetland creation, tree planting)**
- **Can be stacked with BNG credits, and possibly CSS and carbon credits where enhancements aren't already funded**
- **Timescales for land use as yet unspecified (but likely long term +50 years)**
- **Value also as yet unknown, but likely to be dependent on local supply/demand**

- Only domestic carbon standard is available through woodland creation (Woodland Carbon Code (WCC))
- No recognised standard as yet for land management options or management of existing habitats
- Opportunities for income generation through carbon friendly farming, habitat creation, CO2 reduction
- Private deals an opportunity, but still unregulated and largely unknown market place
- Do you know what you are selling, for how long and at what price?



Thank you for listening

QUESTIONS?

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