

Uplands Alliance

A network for England's Uplands

Creating a Brighter Future Project

**Meeting with
Peak District Hill Farmers
held in The Agricultural Business Centre, Bakewell
on 9th July 2019**

Meeting Notes

1 Welcome & Introduction

- 1.1 An attendance list is at the end of these notes.
- 1.2 This was a meeting for the hill farmers but everyone was invited to engage in the discussion about the issues.

2 The Creating a Brighter Future Project

- 2.1 The objectives and outcomes of the first CABF meeting, held in London on 18th March 2019, were summarised:
 - 2.1.1 To enable hill farmers to contribute to the development of Defra's future farming policy and assess the likely impacts of emerging policy on upland farming, including consideration of the livestock production trade and the delivery of public benefits.
 - 2.1.2 To identify how hill farmers can best contribute to the development of ELMS.
 - 2.1.3 To assist the UA in reaching out to support hill farmers through this period of transition.
- 2.2 It was noted that the discussion had focussed on eight issues:
 - 2.2.1 Succession
 - 2.2.2 Financial pressures
 - 2.2.3 Landlord – Tenant
 - 2.2.4 Trends in the Tenanted Farm Sector
 - 2.2.5 BPS
 - 2.2.6 Other Schemes
 - 2.2.7 The Agricultural Bill
 - 2.2.8 Environmental Land Management Scheme
- 2.3 During the meeting, the idea had been developed to invite the hill farmers, who attended the meeting, to hold follow-up meetings in their local area. This was one of nine meetings that are being held throughout the English uplands in July.
- 2.4 Short notes will be taken from each meeting and circulated to those who attended.

2.5 All the notes will be collated into one report, which will be passed to Defra. Copies of this report will be circulated to everyone who attended the meeting and it will be made available through the Uplands Alliance network.

3 Hill Farmer Views - best hopes, worst fears,

Best Hope	Worst Fear
There will be a future for the next generation in farming.	Brexit, the impact on prices and other knock-on effects.
Hill farmers will be able to earn a decent living.	Development of the new scheme will not meet the requirements of farmers.
The relationship between farming and the source of food will be better understood by the public.	Loss of BPS, which accounts for ~90% of the surplus on a hill farm.
More time and funding will be made available for maintenance of the countryside and its infrastructure.	Organisations like the National Trust continue to buy up any land that comes onto the market and price out family farms.
The scheme will be flexible enough to recognise that each farm is different; the scheme will be able to cope with different habitats.	Visitor numbers continue to increase without additional allowance for the strain on farms.
Payment rates under the new scheme will be high enough to ensure that there is a good level of take up.	The budget for the new scheme is slashed, there will be low take up and the scheme is likely to fail.
The new scheme will avoid ridiculous levels of form filling.	Rewilding continues to expand and reduce the amount of productive farmland in the area.
Landlords will not be able to take a disproportionate amount of funding.	
The environmental value of the work carried out by farmers will be recognised and rewarded.	
Farmers will be trusted and given more freedom to farm the land within agreed criteria.	

4 Environmental Land Management (ELM) Scheme

4.1 Sarah Hardy is Strategy and Engagement lead for Environmental Land Management at Defra; she provided an update about the development of the scheme.

4.2 As the ELM scheme is still under development, some of the details were provided in confidence and are not included in these notes.

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

4.4 The objectives for ELM include:

- 4.4.1 Transforming the role that agriculture and other land management activities play in delivering environmental goods.
- 4.4.2 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.
- 4.5 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.
- 4.6 It is proposed that ELM will pay for the provision of six public goods:
 - 4.6.1 Clean and plentiful water
 - 4.6.2 Clean air
 - 4.6.3 Thriving plants and wildlife
 - 4.6.4 Reduction in and protection from environmental hazards
 - 4.6.5 Adaptation to and mitigation of climate change
 - 4.6.6 Beauty, heritage and engagement with the environment
- 4.7 To test the proposals for the new scheme, a series of pilots (Tests & Trials) 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 results (payments by results).
- 4.8 The tests and trials will feed into a National Pilot that will have the objectives of:
 - 4.8.1 Testing the scheme before it is launched to make sure it works,
 - 4.8.2 Increasing confidence that the scheme will work,
 - 4.8.3 Proving that it is able to work in different locations,
 - 4.8.4 Increasing collaboration to allow work to take place at a greater scale, and
 - 4.8.5 Providing more scope for innovation.
- 4.9 Direct production subsidies will no longer be paid but productivity support, in the form of grants or loans, may be available in the future.
- 4.10 Eligibility criteria are being reviewed. Funding may be available to anyone who can demonstrate the delivery of public goods.
- 4.11 Funding support from the private sector will be encouraged. For example, in some areas, water companies are already providing support for measures that improve the quality of water in reservoirs or at intakes.
- 4.12 In discussion, it was suggested that measures to deal with failure to deliver agreed outputs, as a result of factors beyond the control of the farmer, will need to be considered.

5 Key issues for the future of Hill Farming in the Peak District

- 5.1 The new scheme needs to be easy to work, easy to use, attract a good take up and achieve good results.

- 5.2 As parents, current farmers find it difficult to encourage their children to enter farming, while the current uncertainties exist. They fear that the children might be better off seeking their future elsewhere.
- 5.3 The contrast between the increasing numbers of walkers on the farm and the farmers is stark. The walkers have the time and money to seek recreation; farmers do not.
- 5.4 A previous generation kept 25sheep, 10 cows and always bought a new car. In spite of a large increase in the size of the farm, it is now difficult to make ends meet.
- 5.5 There are concerns that the current financial climate is reducing the amount of time and energy available to maintain the infrastructure of the countryside: walls, hedges, ditches, drainage. This is reducing the capital value of the farms.
- 5.6 The rise in visitor numbers, increases the pressure on farm infrastructure (e.g. gates, stiles, paths, tracks).
 - 5.6.1 The presence of large numbers of visitors and their vehicles places restrictions on the times that stock and large agricultural vehicles and equipment can be moved safely.
 - 5.6.2 The financial impact of these restrictions needs to be recognised.
- 5.7 The Higher Level Scheme is thought to have worked well in the uplands.
 - 5.7.1 It was suggested that what is required as a successor is the same scheme on ‘financial steroids’.
- 5.8 There is concern about the ability of landlords to take a disproportionate share of scheme payments. There is a danger that this will make it impossible for tenanted hill farm businesses to be viable. This risks killing the tenanted sector.
- 5.9 Monthly payments would help to ease cash flow problems.
- 5.10 Where the basis of payments is on Income Foregone, by definition farmers are already out of pocket when payments are due. This makes the unacceptable delay in payments to farms even less defensible.
 - 5.10.1 The new scheme must include binding agreements on Defra to make sure that any payments are made at the agreed rate on the specified date.
- 5.11 Farmers will spend money in the local community.
 - 5.11.1 The more they receive, the more they will spend.
 - 5.11.2 Farmers and money are like a pile of slurry: the slurry does not stop in the pile and spreads out in all directions.
- 5.12 It appears that there will be a gap between the phasing out of BPS and the full introduction of ELM. This shortfall in income to the farm needs to be addressed and measures introduced to ensure that farms can stay in business during this period.
- 5.13 If the level of funding available to the farms is not high enough, farmers will have to choose between intensifying production (with the associated risk of damage to the environment), or going out of business.

- 5.14 The lack of labour available on the farm is major restriction on the development of the farm business.
 - 5.14.1 Offering training / work experience to school leavers or apprenticeships might help to fill this gap.
 - 5.14.2 Work experience for school leavers might have the added benefit of increasing the level of understanding about farming in the community.
 - 5.14.3 Can support be provided by Defra to make this happen? Health and safety issues and additional insurance costs would need to be addressed.

- 5.15 The availability of capital grants will be essential to contribute to the costs of maintaining and updating buildings and other farm infrastructure.
 - 5.15.1 Could support be provided through tax reliefs?

- 5.16 Land is occupied under a range of tenures. The move in some areas to grant short-term Farm Business Tenancies (as short as 2yrs) will make it difficult or impossible for farms to enter schemes that aim to provide long-term environmental benefits.
 - 5.16.1 If the new scheme is not to exclude a significant area of land, which is often in designated areas, this issue will need to be addressed.

- 5.17 The penalties included in the current schemes are very restrictive and it is argued that they are self-defeating.
 - 5.17.1 The fear of incurring penalties restricts the amount of activity that might otherwise provide greater environmental benefits.
 - 5.17.2 More flexibility in the new scheme, and acceptance that genuine mistakes can be made, would increase the willingness of farms to be innovative.

- 5.18 An advisory service to help with the application process to the new scheme would be welcome.
 - 5.18.1 A choice of advisors would be welcome so that the farms can select the advisor they like best.
 - 5.18.2 It would help to deliver the scheme's objectives if the advisory service was available to monitor the scheme and adapt it as it develops.
 - 5.18.3 The advisor would provide continuity and be able to deal with questions from the farmers about the scheme.
 - 5.18.4 The advisor would have access to the experts within the scheme administration to deal with any issues.
 - 5.18.5 As the advisors would get to know the farms and the farmers, they would be well placed to offer early support, if delivery of the scheme's objectives was in doubt.
 - 5.18.6 The success of such an approach would depend on the capability of the advisor.

- 5.19 Hill farms are already providing many public goods. The concept, mentioned at a previous CABF meeting, of classifying hill farm areas as Environmentally Favoured Areas was liked.

- 5.20 The ability to apply for BPS entitlements as a 'young' farmer or a 'new' farmer provided useful support.
 - 5.20.1 Similar special support for young farmers or new entrants should be continued in the future.

6 Actions

- 6.1 These notes will be circulated to all who attended, or expressed interest in, the meeting.
- 6.2 The notes from all the nine CABF meetings will be combined into one document and submitted to Defra. This document will also be made available to everyone who has attended the meetings.

7 Recommendations & Conclusions

- 7.1 Defra should be asked to respond to the report from the CABF project and this feedback should be circulated to the farmers.
- 7.2 The farmers should consider further meetings and discussions to include others who were not present at this meeting. If a further meeting(s) takes place, additional input from Defra should be requested.
- 7.3 Based on the length of time that the support schemes under the CAP took to develop, the new arrangements that are put in place as we leave the EU will be influencing agriculture for many years. Therefore, this is a once in a generation opportunity to contribute to setting up arrangements that work; hill farmers are encouraged to keep up to date with developments and discuss the options and opportunities with other farmers.

8 Thanks

- 8.1 Jane Bassett was thanked for all her help in setting up the meeting and for providing the lunch.
- 8.2 Special thanks were given to Sarah Hardy for the ELM presentation and her input to the discussion during the meeting. The farmers valued the opportunity to talk directly to someone from Defra about these important issues.
- 8.3 Delegates were thanked for their attendance and all their contributions.

Attendance List

Name	Surname
Farmers	
Jane	Bassett
Trudie	Cooper
Joe	Dalton
Andrew	Etches
Jeremy	Gratton
Robert	Helliwell
Geoff	Tunncliffe
Barry	Wager
Other Attendees	
Sarah	Hardy
Simon	Thorp
Apologies	
Rachel	Morley