



A 'TOP 10' SUGGESTIONS & TIPS LIST FOR PREPARING FOR WHAT'S AHEAD

Here Richard Wordsworth sets out the things he would be doing now and in the coming months and years as we move through Defra's plan to evolve the current way it financially supports the industry in England.

1. What is happening?

This is perhaps the most obvious question that springs to mind. First of all, don't worry if at this stage you have not fully engaged with the changes that Defra is bringing in as we move away from Common Agricultural Policy schemes such as the Basic Payments Scheme.

There has been a long period since the Agriculture Bill was first published in September 2018, but in reality, there has not been a lot of useful information published to work with until 2020. During this time, and what you will see more of in the coming months, is Defra and the RPA being more public with elements of their plans, themes and schemes as I would refer to them.

So now is really the moment to spare some time and start to tune into what is going to change this year and future years. This doesn't need to be hours and hours of research etc. so perhaps every few days / once a week spend some time looking at the information. Knowledge is key to help inform your views and what you decide to do going forward.

Hopefully you will have seen the 'Farming is Changing' document that was sent to farmers in December. This contains a summary of the key elements of the: 'The path to Sustainable farming: An Agricultural Transition Plan 2021 to 2024' document that Defra published on the 30 November. Both these documents are useful to you, I would start with the 'Farming is Changing' document.

Don't be afraid to ask questions about this information, it may come across as a bit of a foreign language, the key is to tune into what is being said. One to help with is that BPS is a delivery approach for direct payments, Defra refers to direct payments, as that is the type of payment that is issued to eligible farmers.

2. Keep tuned in

There may not be the detail you were expecting to see in the aforementioned documents - that will come. So, the next thing to do is keep tuned into developments and keep an eye open for updated information from Defra / RPA etc. As you will see from the 'Farming is Changing' document there is a range of schemes and also associated timelines for each of the schemes and themes.

To avoid missing anything, which is always a danger with a gradual rollout of information, put the Defra timeline on the office wall or with your planning information (phone / diary reminders as you come across things of importance or interest) and refer to it on a monthly basis to see what should be happening when and then seek out information on this. During the next few years there will also be several consultations which will add to the information available and to your knowledge base. We will cover where to find information in my next Time to Plan piece.



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3. Engage

Where opportunities arise in the form of webinars, be that live events or the opportunity to hear recordings from Defra / RPA or other parts of the Defra family, then do so - often this helps to understand what is happening and can put the written word into context.

Equally do not simply hand this over to others in the business or external advisers. You need to engage and understand what is happening. Equally, engage with family members as they may see the future in a different way to you, be that those actively farming or those that are working off farm. Equally, given some of the implications and direction of travel of support schemes, collaboration should be something to consider.

4. Keep records / use the latest information from Defra / RPA

Keep a note of what is key to you, what your thoughts are, things that have triggered your mind. Also appreciate what is fact and what is comment. Best to go to source of information such as what is produced by the RPA or the Defra family.

There is and will be, a lot of comment around these developments, some of that is an appraise and comment, which can consume time. Equally there are trusted advisers who deal with farm support schemes on a daily basis and if you are a member of the NFU, there are plenty of resources provided and waiting for you there.

The change from current schemes and the development of new themes and schemes will happen over time, it is critical to ensure that you have the latest information, not relying on what may have been said even a month or so before.

Start to think how to capture information as schemes develop, how to manage engagement with schemes - is it a time to skill-up, will someone in the family want to do this or indeed continue to do what they have been doing in the past?

5. Key elements to understand

Out of all the various schemes and themes that Defra is developing at this time within its 'Sustainable farming: An Agricultural Transition: Plan 2021 to 2024', I would suggest the following are the most important and these are centred around the reduction of the BPS payments:

- **Progressive Reductions to BPS / direct payments** – understand the cuts and how they operate, it is worth looking at the AHDB calculator found [here](#). Just be aware there are limitations to these types of calculators, but it can give a good guide.
- **Lump sum exit scheme** – this is based on whether you consider this option is right for you and your future - this needs to be considered in the round and I would suggest discussing with your accountant, solicitors, advisers, bank and indeed friends and acquaintances.
- **Farm Resilience support** - look out for support that Defra will be providing via third parties to help discuss the impacts of the reductions in payments
- **Environmental Land Management** – understand what is being offered, the three components of:

1. Sustainable Farming Incentive (SFI) (foundation - simple actions that achieve environmental outcomes)
2. Local Nature Recovery (collaboration - locally-targeted environmental goals)
3. Landscape Recovery (land use change - through long-term projects)

Understand these three components to ELM, what you may be eligible to enter and what is likely to be required of you. There will also be a pilot open to eligible farmers this year, with details expected soon. The core elements of the Sustainable Farming Incentive will be offered in 2022. There will be more information about how these schemes will operate and coexist with any existing schemes. It is important to note that ELM is not a direct replacement for BPS.

- **Farming Investment Fund** - Defra has confirmed grant support that they will provide to help English based farmers maintain and improve productivity via two schemes during the transition:
- **Small Grants:** Farming Equipment and Technology Fund – this will provide grants towards the purchase cost of a list of specified, pre-determined items for farmers and foresters.
- **Large Grants:** Farming Transformation Fund - this will provide grants towards the cost of more substantial investments in equipment, technology or infrastructure, with the potential to transform business performance.

6. Know where you are now – plan for change

Given the fundamental changes coming down the tracks in the coming years, knowing where your business is currently, its current plans, budgets, where it wants to be in the next 5 years is going to be critical. This will help to determine what, from the range of themes and schemes that are being developed, are going to best suit your businesses priorities going forward. For example will your investment plans work well with any grants being offered through the new Farming Investment Fund? Will you need to consider more priority with slurry management given the focus from Defra on looking at storage capacities and standards? Knowing the impact on the reduction in BPS / direct payments is going to help understand if these opportunities are viable. Setting out strengths, weaknesses, opportunities and threats (SWOT analysis) and other information about the farm's potential and problems. Looking at benchmarking for the performance of the farm business, both physically and financially, will help to see how future farm support will impact on your business.

7. Discuss plans and approaches

As always it is good to share plans with those that support you, such as banks and also those that offer you the opportunity to farm - for example landlords - when you are in the position to do so.

8. Make the right decision for you and your business

It is easy to follow support scheme payments, but as set out here, understanding what your future priorities are is more critical to be able to drive the business forward if that is the right thing to do and address any issues that may be brewing.

9. Whilst the future is important, don't forget the present

There are still things to consider and do this year, so please remember just to keep up to date with the changes to BPS and cross compliance in 2021 - there are some fundamental changes this year, such as follows for example:

- The removal of greening, such as the three-crop rule, Ecological Focus Areas and connection with permanent grassland
- The change in administration for those farms that operate and claim BPS in more than one part of the UK – referred to as cross border holdings
- Changes to the rules on entitlement usage
- Changes to the way cross compliance is administered and how inspections are operated

As always, the devil is in the detail!

The RPA will continue to inspect claiming farmers, their land and animals, as much the same way as they have done in the past. Equally mapping may have been updated since last year and prior to the 2021 claim window opening. It is therefore critical that farmers familiarise themselves with the related guidance that is in place for 2021.

Most importantly of all, ensure that annual claims are made for BPS, Countryside Stewardship and HLS. Watch out for reminders from the RPA. Equally take account of the challenges of COVID 19 and be aware of some of the new information that is available as a result of the challenges last year.

10. For more information

Finally look at all the other resources that will be available under the '[Following Brexit](#)' Time to Plan theme and of course the next instalment from me.