

# **Changes in support schemes for agriculture and land use**

**– what will be the impacts upon heathlands?**

**Tony Waterhouse SAC**

# CAP Reform and impacts



**What simple, logical and sensible policies are developed by politicians and then implemented by Responsible Authorities?**



**How will land managers be influenced?**



**How will this influence management on the ground?**



**How will these changes influence heathlands?**



# CAP Reform package



- **Decoupling of direct support (headage) from production**
- **Single Farm Payment (SFP) linked to hectares rather than headage and wide range of options to 'farm' eligibly**
- **LFA payments (LFASS, HFA, Tir Mynydd) continue from 2007 but how?**
- **Lots of complexity in SFP - different across GB**
- **Pillar 2 - Land Management Contracts, ELS/HLS, Tir Cynnal/Tir Gofal - evolving process that is effective now**
- **Lots of PR about Cross Compliance, 18 Statutory requirements and GAEC**
- **GAEC is main new cross compliance affecting heathlands**

**Single Payment Scheme**

**Less Favoured Area Schemes**

**Agri-environment schemes**

**Other Schemes (access, woodland)**

**Cross compliance**

# Single Payment Scheme



- **Need eligible land**
- **Need eligible activity**
- **Each country is different**
- **set to decline**

***Tradeable***

***Accessible for non-farmed heathland***

***Do heathland farmers 'recouple' money in their heads to continue much as before?***

# Less Favoured Area payments



- **New schemes as part of Rural Development Plan process - 2007 +**
- **every country different - LFASS, HFA/Upland Reward Scheme, Tir Mynydd**
- **‘holding upland livestock’, through minimum stocking densities?**
- **need to be true area schemes**
- **are they social or environmental?**

1975 ‘ supporting ...contribution of **farming**, thereby maintaining a minimum population or conserving the countryside

1999 .. To ensure continued **agricultural** land use.....take account of environmental protection

2006 ... contribute.... Care of our natural environment, make countryside attractive, enjoyable for all and preserve biodiversity’

***Eligibility plus conditionality***

## **Pillar 2 - tiers 2 and 3 and being reviewed as part of Rural Development Plan round**

**LMC - Scotland** - tier 2 only in 2005/6 (max £4100), with existing rural Stewardship, 2007+ part of a fully integrated support package (including SNH, Natural Care?).

‘RSS favoured lowland and mixed farms’

Non-farmers eligible - grouse and stalking estates?

## **ELS/HLS - England**

### **Issues of uptake of ELS by hill farmers, lots of HLS options**

high transactions costs for entry and uncertainty over management planning to meet objective success criteria

## **Tir Cynnal/ Tir Gofal - Wales**

# So what is changing?



- **completely new economics of upland livestock - farming without subsidy**
- **no-one is quite sure how to account for the Single Farm Payment**
- **new schemes, that should grow - many competitive within and outwith agriculture**
- **new cross-compliance issues**

# What is going to happen?



**Early studies suggest c 4% reduction in hill sheep numbers**

**Probable increase in market prices of beef and lamb**

**Sounds quite benign**

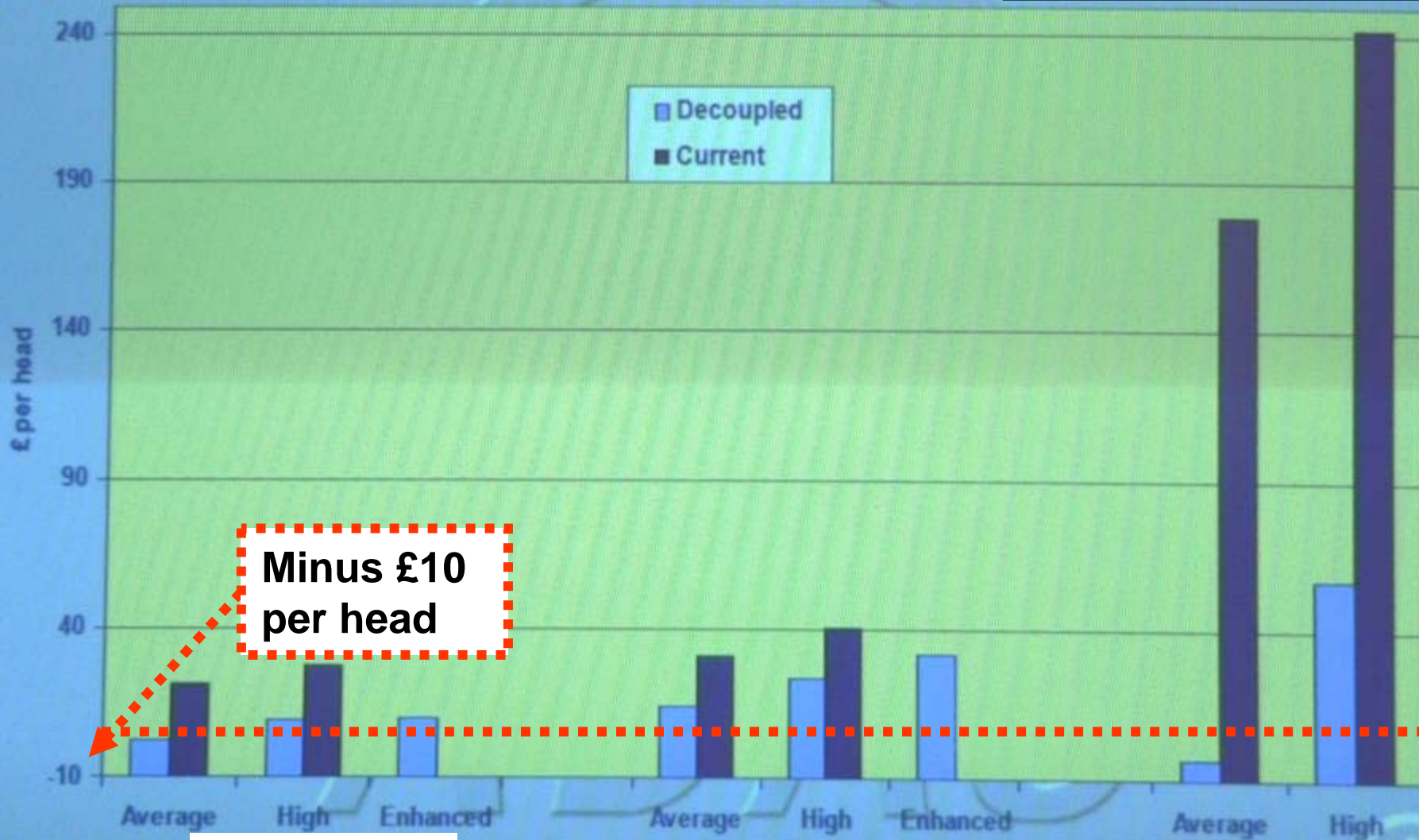
**BUT, what are individual land managers going to do?**



# Hill Enterprise Gross Margins

- £ per head

ADAS: Bill Hall and  
Kate Phillips



Minus £10  
per head

Hill Sheep

Upland Ewes

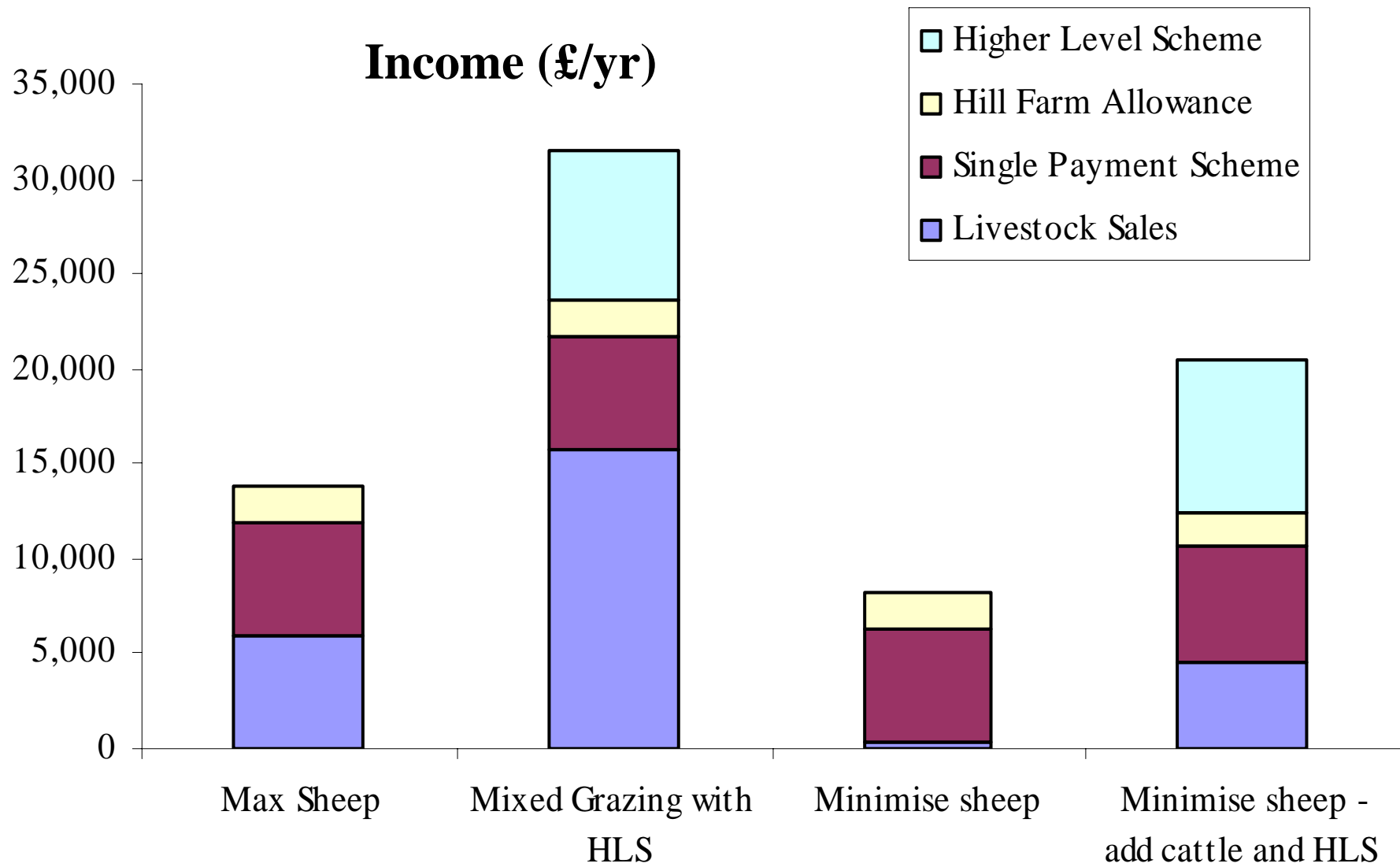
Hill cows

# Modelling future scenarios

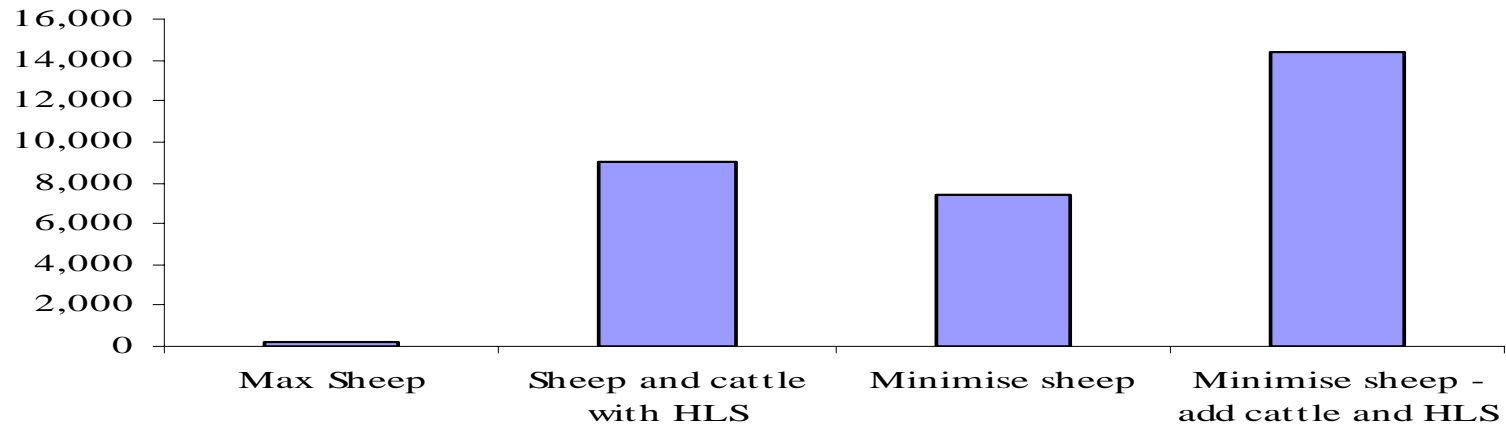
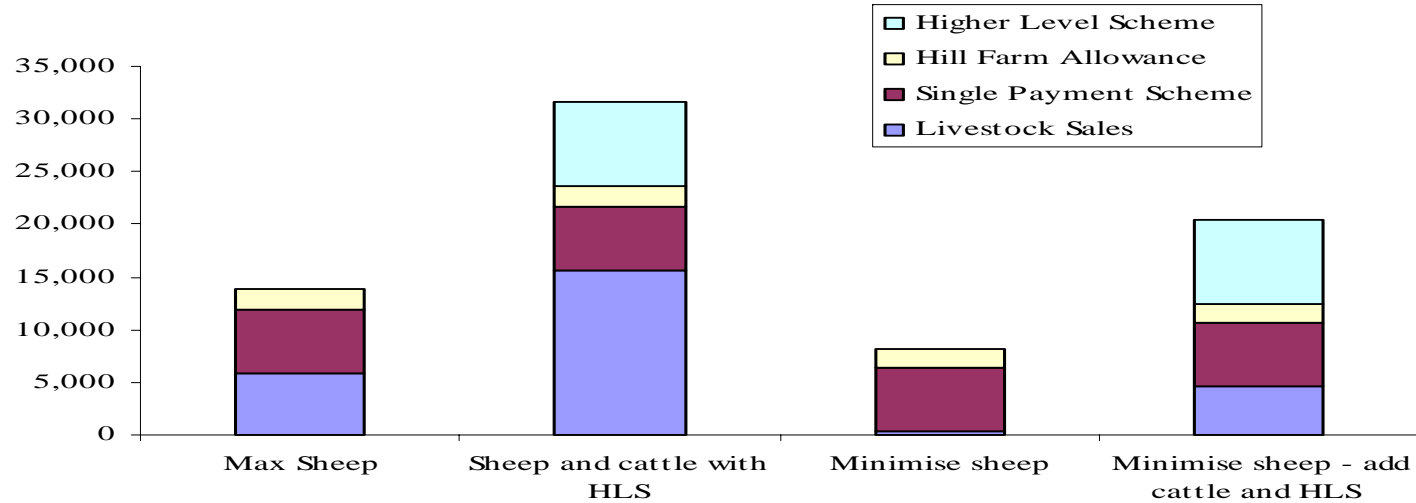


- 200 ha of hill land
- Unit part of typical upland livestock farm
- Vegetation: *Calluna-Molinia* wet heath
- Birds: red grouse (*Lagopus lagopus*), curlew (*Numenius arquata*), meadow pipit (*Anthus pratensis*)
- Farm is eligible for SPS & agri-environment support

| Scenario | Objective                                     | Livestock/ha & Season                      |
|----------|---|--|
| 1        | Maximise sheep (SFP + HFA)                    | 2.1 ewes- all year                         |
| 2        | Agri-environment + livestock (SFP, HFA + HLS) | 0.66 ewes – all year<br>0.75 cows – summer |
| 3        | Minimise sheep (and work) (SFP + HFA)         | 0.20 ewes – summer                         |
| 4        | As 3 + agri-environment (SFP, HFA + HLS)      | 0.20 ewes – summer<br>0.25 cows - summer   |
| 5        | Abandon land                                  | Zero stock                                 |



**Annual Income for Different Options for 200 hectare moorland**



**Net Margin (£/annum) - income-variable costs- labour costs (incl. SFP and HFA)**

# **Maintenance of Good Agricultural and Environmental condition?**

Well, minister, we have 18 sets of regulations that farmers must follow to stay within the law. We add a simple cross compliance code to maintain the status quo of agricultural land management and environmental protection and tell farmers we will take away the SFP if they breach either CC code or the law

Sounds somewhat complicated; How can we give farmers the 'Freedom to Farm' and meet the Commission's rules on;

- 1) Soil erosion
- 2) Maintenance of soil organic matter
- 3) Soil structure
- 4) Minimum level of maintenance;
  - avoiding deterioration of habitats

BUT I also want to be able to allow woodland and scrub expansion where appropriate.



## Its perfectly simple Minister, Let me explain ;

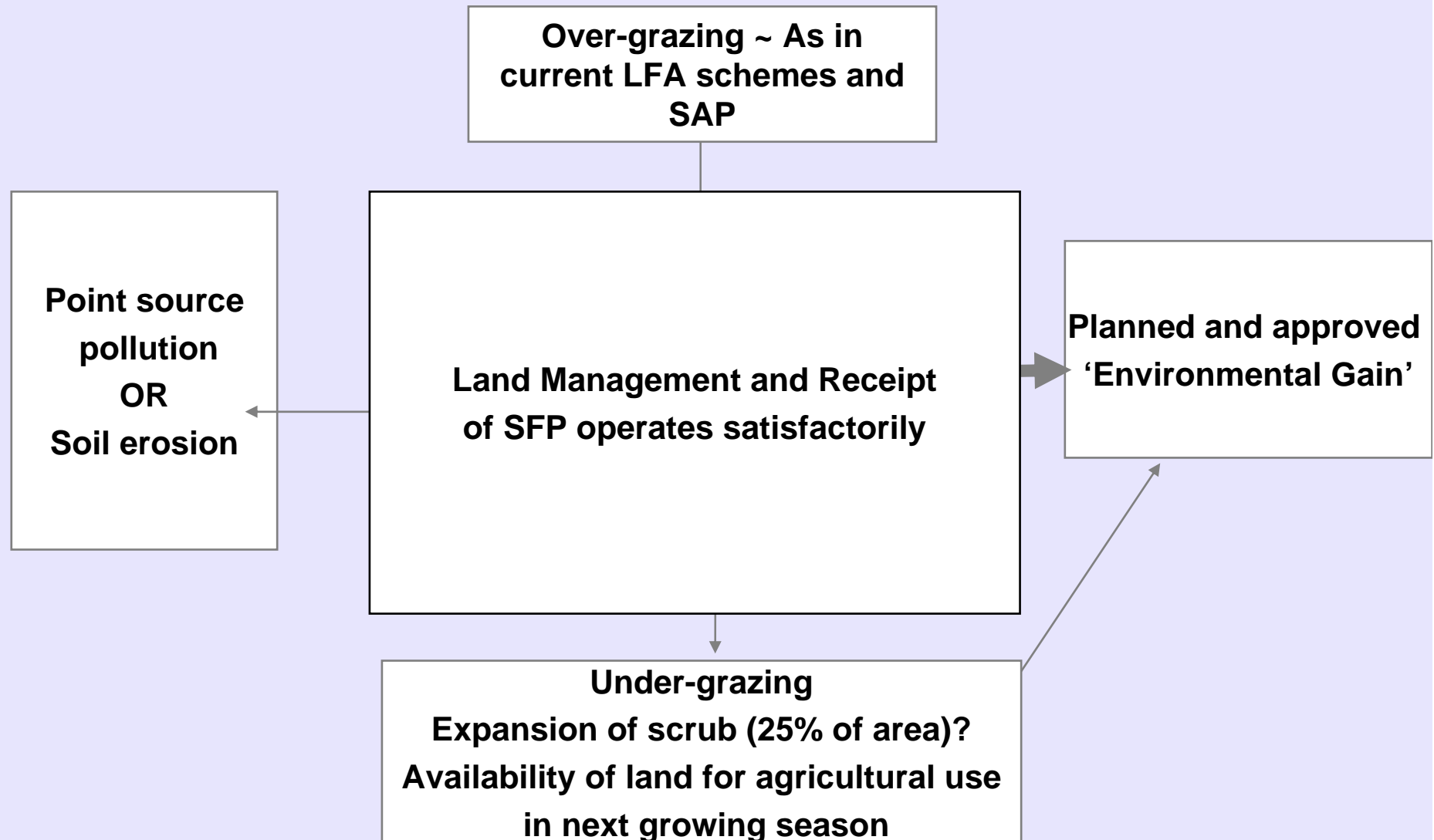
- If you are farmer to get your SFP you need “an eligible hectare” to get payment on an entitlement.
- Eligible hectares include arable land and all forage area, but excludes land under permanent crops (including forestry), horticultural crops (fruit, vegetables, potatoes ...) or used for non-agricultural activities.
- You are free to use your eligible land for any agricultural activity** (other than stated above).
- An agricultural activity** is defined as the production, rearing or growing of agricultural products including harvesting, milking, breeding animals and keeping **animals for farming purposes, or maintaining the land in good agricultural and environmental condition.**
- all land subject to GAEC measures..... **must be available** for agricultural use **or capable** of returning to agricultural use at present or by **any time during the next growing season”**

So farmers can farm land, or just GAEC it,  
as long as they **can** farm it the next season  
No minimum stocking ~ no need to count  
stock - Are you sure it will work?



**Yes Minister!!**

# GAEC - a box within which to manage land



**If each of these is Year 1, what would prevent agricultural use in Year 2?**



# What will land managers do?



## To reduce workload?

- Keep fewer stock
- Reduce inputs
- Reduce/stop farming some areas of farm
- Increase mechanisation/efficiency of handling

## To reduce costs?

- Lower inputs
- fewer stock

## To improve income?

- More stock
- more productive stock
- to diversify income
  - outside farm
  - inside farm

## To follow the (CAP) money?

- Don't change anything until got a valuable scheme in place
- find a 'pragmatic' plan writer
- keep options open
- go for best cost/benefit options; least work for most income (loss of livestock income almost irrelevant)

# Some (winning?) strategies



**'I'm a sheep-farmer'**, so I'll either try and improve productivity and efficiency within a breed (less labour, fewer health problems, better lambs) or change breed to one more suited to new environment. If the future is for lower levels of public money, then I need to find ways for farming beyond 2013

**'I'm a land manager'**, so I'll maximise income from new SRDP schemes, minimise losses in farming.....

**'I'm a chancer'**, so either I'll put off (all) staff and stock and live off SFP whilst it lasts, or persuade Natural England to give me a big grant for doing virtually nothing.....

**'I'm a nature-lover'** so I'll get the best management plan for the agri-environment scheme(s) and then fit the farming system around it, till the scheme stops.....

# Some conclusions



- **Stability provided by Sheep Annual Premium, LFA, quotas has gone**
- **much wider range of options for management**
- **Some moorlands will drop out/others come into cross-compliance, but so what?**
- **heathlands are only parts of farming systems - least productive - before they were places for a lot of 'headage', now 'hectarage' is their most valuable attribute**
- **Agri-environment schemes will be more attractive to more managers**
- **Likely to be volatile and dramatic shifts in grazing and other management on many moors**
- **Large reductions in livestock look inevitable, most so, in most marginal areas**
- **Leading to potential for even larger reductions in people with countryside skills**



# Undergrazing



Avoid undergrazing at a level where the growth of scrub or coarse vegetation is detrimental to the environmental or agricultural interest in the field.

Land will not be considered to be undergrazed provided it is capable of recovering by anytime during the growing season in the ...year that follows .....the problem

Where undergrazing is identified, ... management .....must be approved by SEERAD.

## Guidance

Undergrazing may be identified as allowing the growth, structure or species composition of grazed vegetation to significantly deteriorate through insufficient management.

Often the first sign of undergrazing on a pasture is the build up of dead plant litter. Later stages include the gradual appearance of shrubs and trees.

**Land abandonment** is not allowed under Cross Compliance. Many .. wildlife areas,....animals are dependent on grazing livestock, particularly cattle. .. continue to graze and/or cut your grass to avoid .... weeds, scrub etc. (so) that it could be no longer be used for agricultural production.

If your stocking density decreases significantly then the land will be at a greater risk of under grazing. In this circumstance you should take remedial action or seek professional advice.

Biodiversity or other environmental gain may be achieved through the planned and managed encroachment of scrub and coarse vegetation.

# Encroachment of unwanted vegetation



You must avoid the encroachment of unwanted vegetation which degrades the agricultural and environmental value of the land .... the land is not capable of returning to agricultural production ..... in the following calendar year.

Taking the above, encroachment of native species is allowed in the following instances:

- recolonisation of trees across the boundary line from native woodland.
- recolonisation of scrub species ...gorse, birch and juniper as part of mosaic of habitats.
- reversion of land to wet grassland or wetland.

Where environmental gain ... this must be declared on the IACS using code PEM.

## **Guidance**

Through appropriate .. methods of control ....prevent the severe encroachment of unwanted vegetation which is both agriculturally and environmentally degrading including rhododendron, bracken, weeds covered by the Weeds Act 1959, Japanese Knotweed, Giant Hogweed and Himalayan Balsam.

- ...ecological succession will be ....consistent with GAEC provided that;
  - ... consistent with maintaining the ecological status of protected areas (e.g.SSSIs)
  - ...growth of scrub is easily reversible.....

# Overgrazing



Avoid overgrazing ....in such numbers as to adversely affect the growth; structure; or species composition of vegetation .

Land will not be considered .. overgrazed ....it is capable of recovering by anytime during the growing season in the following ... year.

Where overgrazing is as a result of an unexpected and unpredictable incursion of wild deer or geese ..., then you will not be held accountable for overgrazing caused as a result of this infringement.

Where overgrazing is ....to rabbits .....be expected to provide evidence of .. control...

Where overgrazing is identified, management ... must be approved by SEERAD.

## Guidance

The common conditions indicating overgrazing are:

- Clear evidence due to grazing pressure that the growth, quality or species composition of the vegetation is deteriorating to a measurable extent e.g. signs of overgrazing include: vegetation chewed back to the previous year's growth or heavily trampled, absence of flowering, large bare patches of poached soil, a lack of regeneration or visible damage to trees and saplings in woods;
- Evidence of poor condition of the vegetation combined with evidence of poor animal condition;
- Over-reliance on supplementary feed.

144. Under Sections 10 and 11 of the Deer (Scotland) Act 1996 the Deer Commission for Scotland can issue an authorisation for the control of deer on hill land to prevent serious overgrazing, where DCS is satisfied that overgrazing is being caused by deer. Initially DCS can make a request in writing to the person(s) with the shooting rights on the land concerned. If that person is unable or unwilling to kill the deer, DCS can then authorise any competent person to do so.

146. Overburning should be avoided by following the Muirburn Code.

# IACS options for Environmental options



**WDG - Woodland Grazed (Open) - WDG**

## **POSITIVE ENVIRONMENTAL MANAGEMENT**

This code should only be used for GAEC measure 5 when a field drainage system is allowed to deteriorate for environmental gain and measure 18 where scrub encroachment is to be permitted for environmental benefit only. **PEM**

## **LFASS INELIGIBLE ENVIRONMENTAL MANAGEMENT**

Where SFPS is being claimed on agri-environmental options that are ineligible for the 2007 LFA Support Scheme. **LIEM**