

Written evidence submitted by the Game & Wildlife Conservation Trust (EPU0029)

The Game & Wildlife Conservation Trust (www.gwct.org.uk)

We are a leading, independent UK wildlife conservation charity conducting scientific research into Britain's game and wildlife to enhance the British countryside for public benefit. We use our research to provide training and advice on how best to improve the biodiversity of the British countryside. We employ 22 post-doctoral scientists and 50 other research staff with expertise in areas such as birds, insects, mammals, farming and farmland ecology, fish and statistics. The GWCT's Allerton Project, our demonstration farm in Leicestershire, undertakes research into the effects of different farming methods on wildlife and the environment, and shares the results of this research through educational activities for practitioners and the public (<https://www.allertontrust.org.uk>).

Rather than answer each individual question, given that there is overlap in the points we would like to make, we provide comments below that address them:

1. Although progress has been made since the start of the year with more information on the Lump Sum Exit Scheme, regulation, the SFI standards and payment rates, Local Nature Recovery (LNR) and the Landscape Recovery (LR) pilots, we are concerned that the process of creating ELMS has taken too long and has become mis-aligned with the phasing out of BPS. This has become more important given the economic background, particularly since the invasion of the Ukraine, and concerns about recent trade deals increasing competition through allowing lower standard imports. Whilst BPS was fundamental to some farm systems, for others it provided a useful buffer against uncertainties such as bad weather and diseases and market volatility¹ – in either inputs or outputs.
2. It is estimated that up to 65% of all farm businesses would be in deficit without BPS payments. This includes our own 800 acre Research and Demonstration farm in Leicestershire. Replacing this 'fixed' income stream with SFI is unlikely to attract some farmers as the net profit from the Standards will vary by year, both in relation to requirements and to what extent they need to invest at the outset (see also point 9 below), and also commodity prices. Current commodity prices are likely to be softening the initial direct payment reductions being seen – albeit temporarily. The 2022 Farmers Weekly survey shows that four out of five farmers are concerned about replacing BPS income². Of those that are preparing for the change, c50% are aiming to increase productivity. As we have often said viable farming businesses are

¹ AHDB Horizon Market Intelligence April 2022 Assessing the impact of the Sustainable Farming Incentive on farm businesses

² <https://www.fwi.co.uk/business/business-management/agricultural-transition/survey-farms-hampered-by-uncertainty-over-future-income>

needed as it is the farmers on the ground that carry out the important environmental work.

3. Whilst we very much welcomed the co-design approach it has by implication led to a long evolution of ELMS. We also feel that the co-design process has probably resulted in a more complicated SFI scheme that would have been desirable (see point 12 below). We remain of the view that more farmers in a lower aspirational scheme is better than no farmers in a highly aspirational one.
4. That said unlike some organisations we do not feel Government should change course. Instead we would urge Government to consider some short-term flexibility such as allowing those farmers committed to sowing large areas of Pollen & Nectar mix (such as AB15 Two year sown legume fallow) to delay for a year and plant cereals as a contribution to improving food security during this period of uncertainty. Obviously, this can only occur for up to a maximum of two growing seasons otherwise a farmers' rotation is affected.
5. The GWCT has no direct knowledge of individual farmer experiences of the new SFI but given that the launch did not occur until a month ago and at the start of harvest we feel the timing could have been better, not helped by the failures with the website software at launch. This has been compounded by the economic background with increased input prices and other effects of the Ukraine war on food supply and prices.
6. Government's ambition is to engage with 70% of farmers by 2028. However, given that Government states the SFI is fundamental to environmental goods and services delivery and 25YEP goals, we are concerned that widespread engagement is needed sooner than that and that in the short-term engagement will continue to be affected by historic regulatory approaches (see point 7) and uncertainty over the viability of current payment rates (see point 10). That said the latest Farmers Weekly Survey suggests that 66% of farmers surveyed remain interested in the SFI – the same as 2021³.
7. Farmers remain concerned about scheme regulation, given that the RPA previously treated breaches harshly even if they arose through innocence on the part of the farmer, and this is underlined by fewer than half of farmers in the pilot survey being clear on how monitoring and compliance would work⁴. Farmers fear complexity within the rules, anxious that misunderstanding or failing to observe a certain stipulation might lead to sanctions.
8. Government has emphasised the need for flexibility within the scheme and is keen to make it adaptive in a way that CAP schemes were not. We applaud this in principle, continuous improvement and learning are desirable to the creation of

³ <https://www.fwi.co.uk/business/business-management/agricultural-transition/survey-farms-hampered-by-uncertainty-over-future-income>

⁴ <https://defrafarming.blog.gov.uk/2022/05/26/6-months-on-how-the-pilot-is-shaping-the-sustainable-farming-incentive/>

better schemes, but rule changes also bring uncertainty and confusion, particularly where those changes take place part-way through a scheme agreement.

9. The AHDB and Harper Adams⁵ analysed the impact on net profits by farming system of 5 SFI standards using the SFI pilot and SFI 2022 standard payment rates. Interestingly this analysis showed that if a farmer is already carrying out the SFI actions then participation would be attractive as in that situation the extra income becomes net profit (in other words there is no initial investment 'cost'). This also brings into question the additional benefit SFI would bring to achieving 25YEP goals.
10. The analysis also suggested that a positive 'net profit' was only achieved where land is not being taken out of production (for example a cover crop which is grown between harvest and the drilling of a spring crop) or where options are easily achieved such as the application of organic matter through readily available manure. This emphasises that the level of benefit to a farmer depends on each farming system and how easily the Standard can be incorporated. Thus if the 70% ambition is to be achieved the Standard payment rates need to be attractive at the net profit as well as net payment level for more farming systems.
11. Our own quick check on the Improved Grassland soils option which would be designed to attract dairy farmers, suggests that even the intermediate tier payment of £58 per hectare (which requires the farmer to additionally establish and maintain herbal leys on at least 15% of land in this level of the standard) would not be attractive. Whilst such farms are likely to have sufficient cover over winter, many would need to pay a consultant to do the soil test and produce a management plan and even a contractor to cultivate and sow the herbal leys. Such costs are not covered by the current rates. However we acknowledge that Defra has said that payment rates will be adjusted in response to farmer feedback.
12. In addition, the theory behind the SFI was similar to the Entry Level Scheme (ELS) – a simple scheme to maximise engagement. Whilst we appreciate that, given SFI is fundamental to public good provision, it needs to include a wide scope of measures and then to reflect farmer aspiration with different levels of commitment (as identified as part of the co-design process) we feel it has become too complicated, too quickly. Whilst there are 3 standards in 2022 with another 3 to be added in 2023; the final tally is likely to be 15 standards in total. With 3 levels of commitment that amounts to 45 options!
13. The GWCT's Farming through Brexit policy vision envisaged a 'foundation scheme' that was a "... *simple, voluntary scheme.. to achieve the widest possible farmer participation..*". Early signs from Defra were that this message had been taken on board for ELMS/SFI but as the scheme has developed we are concerned that, in order to achieve measurable outcomes, scheme complexity has increased. The 'broad and shallow' approach, advocated in Lord Curry's 2002 "Future of Food and

⁵ AHDB Horizon Market Intelligence April 2022 Assessing the impact of the Sustainable Farming Incentive on farm businesses

Farming” report and epitomised by ELS, generated the desired 70% engagement – and contrary to some observations, analysis of ELS data has demonstrated that its application at least maintained some farmland bird numbers⁶. We feel that it would have been better to start with a broad and shallow scheme (using options that are known to deliver) and to develop this through a co-design approach. Given historic experiences, it might take time for farmers to understand and feel comfortable with the new “collaborative”⁷ and “proportionate”⁸ approach.

14. In addition, a point raised in EFRA’s previous report was the level of advice that is to be provided. Given our experience in working with farmers both individually and as part of Farmer Clusters we would emphasise that outcomes are maximised by providing appropriate levels of guidance and advice – both by individual advisors and through demonstration events. Online guidance for SFI may not be sufficient therefore. We feel there is a useful role to be performed by the eNGO sector in augmenting this.
15. That said there are elements of the scheme which very much reflect the lessons learnt from the past and through the co-design process; such as greater flexibility, a focus on outcomes, a less prescriptive approach and proportionate regulation. This is welcomed.
16. Pilots for the Landscape Recovery (LR) scheme have been announced giving a bit more information on what is envisaged. It appears that funds available have now been considerably scaled back from early indications. We support this as we envisage that the full scheme will appeal only to a relatively small percentage of farmers/land managers.
17. The first pilots will focus on species recovery (and water quality) using the nature-led recovery of habitats. This appears to be a response to the current rewilding trend in conservation. Consequently, pilots are unlikely to include projects in the farmed landscape unless farmers are willing to become more extensive and introduce radical new measures such as conservation grazing. This is a missed opportunity and seems at odds with the co-design philosophy, given that both farming and conservation organisations have stated that farming needs to form part of LR. It also seems at odds with the statement made in the Government’s response to the Committee’s previous report in relation to upland farmers when they state “*Given the nature of their landscapes, upland farmers will be well-placed to benefit from ... Landscape Recovery scheme[s]*”. Presumably only if they significantly reduce their livestock numbers and cease farming as we know it?

⁶ E.g. Davey, CM et al (2010) Entry Level Stewardship may enhance bird numbers in boundary habitats, *Bird Study*, 57:4, 415-420, DOI: 10.1080/00063657.2010.505642; Redhead, JW et al (2018) Effects of agri-environmental habitat provision on winter and breeding season abundance of farmland birds, *Agriculture, Ecosystems & Environment* <https://doi.org/10.1016/j.agee.2017.09.027>

⁷ E.g. Government Response to the EFRA Committee’s Second Report of Session 2021–22

⁸ <https://defrafarming.blog.gov.uk/2022/05/26/6-months-on-how-the-pilot-is-shaping-the-sustainable-farming-incentive/>

18. More information on the Local Nature Recovery (LNR) scheme has identified some of the measures that will support making space for nature alongside food production. However recent dialogue has suggested that SFI and LNR will be linked (work together⁹) such that it is implied that LNR will only be accessible if the farmer is already in SFI. The idea that the two are linked should be resisted as some farmers may just wish to focus on LNR options and support wildlife. Clarification is required.
19. We are delighted that LNR options will at last include an option for predation management as well as measures to control invasive non-native species as targeted measures in support of wildlife recovery. In adopting this as an option Government are correctly following the clear scientific evidence that for some species this measure is an essential management requirement for recovery. For too long this has been over-looked and has led to money being wasted on ineffective measures whilst Red-Listed species continued to decline.
20. Coordinating LNR with local nature recovery strategies, established by local authority planning teams, risks focusing the monies towards NGO led schemes. In a local example the coordinating group of 27 members does not include a single farmer (although the NFU and CLA are involved) and if this is repeated due to the inability of farmers to commit the necessary time it risks a top-down approach and flags a potentially significant gap in ambition and delivery. If the land managers and farmers that own the land on which these schemes must take place are not involved then how can they work? Some of course will be aligned with eNGOs but many will want to have the flexibility to work on their own
21. As alluded to above we are concerned about money apportionment between the schemes given the direction of travel of LNR and LR particularly (see above), although recent suggestions that this will reflect farmer demand are welcomed. However the amount of money behind the SFI scheme may well be a limiting factor given its ambitions.
22. We understand that within days of the SFI going live problems emerged with the software, particularly for farmers who already were in existing CS schemes. This doesn't help to inspire confidence that the scheme is fit for purpose.

Game & Wildlife Conservation Trust
19th August 2022

⁹ <https://defrafarming.blog.gov.uk/2022/05/27/local-nature-recovery-in-2022/>