

**Call for Evidence - Environmental Land Management Scheme: Progress Update**  
*Evidence from the Sustainable Soils Alliance*

*The Sustainable Soils Alliance (SSA) was launched in 2017 to address the current crisis in our soils. Its aim is to campaign to restore UK soils to health within one generation by seeing soil health elevated to where it belongs as a priority alongside clean air and clean water. The SSA is a non-profit organisation (CIC number 10802764).*

**1. What progress has the Environmental Land Management Schemes (ELMS) programme made since January 2022?**

**Soil in the SFI**

- The first of the ELM schemes, the Sustainable Farming Incentive (SFI), launched in June 2022 with the two soil standards at its heart. We welcome the early emphasis on soil as an important recognition that soils are one of the country's critical assets, delivering a range of ecosystem services and outcomes essential for food production, flood protection and climate change mitigation.
- Poor soil management and inappropriate land-use can impact soils' ability to deliver these benefits by causing compaction, erosion, runoff, and contamination. The recent extreme weather – drought followed by flooding and widespread evidence of topsoil being stripped off fields by heavy rain – has brought the importance of soils into sharp focus, and specifically the urgent need to ensure soils are resilient to the long-term effects of climate change.
- Broadly speaking the interventions incentivised by the standards are the right ones. However they represent little more than a solid platform from which to build, and we look forward to seeing the scheme increase in terms of scope and ambition over the coming years – via the Advanced level standards (by 2023) and the addition of the organic standard (by 2025).

**Metrics**

- For progress to be understood, mechanisms need to be in place to measure the scheme's impact against two critical metrics – farmer uptake and environmental impact - specifically Defra's ambitions outlined in **the Government's 25 Year Environment Plan (25YEP)** and its **Net Zero** obligations.
- As it stands, the scheme is taking a broad-brush approach to results quantification, with an emphasis on monitoring outputs (i.e. green cover) rather than outcomes (improved soil health). Both soils standards require farmers to undertake a soil health assessment and create a soil management plan, however the data will not be collected and farmers will not be expected to conduct a specific standardised methodology for these assessments.
- We recognise the need for the scheme to be as simple and user-friendly to reduce barriers to entry (hence the reduction in administration and imposed conditions), however a balance has to be struck. Specifically we are concerned that the output-based approach might mean the co-benefits for the environment of any practices will not necessarily be captured - leading to an under-estimation of these benefits.
- In addition, the lack of clear thread between actions and outcomes will make it hard to justify the expenditure over time – to farmers, the Treasury, general public and other stakeholders. By way of example, in its June 2021 Agriculture Transition Plan, Defra estimated that the standards could save up to 60,000 tonnes of CO<sub>2</sub> each year from 2023 to 2027, increasing to 800,000 tonnes per year by 2037. However it is not clear how this number was reached, what actions specifically will deliver it and how it will be assessed over time.

- We understand that soil structure metrics are being developed under Defra's Soil Structure Measuring and Monitoring scheme. The SSA assisted on the development of the early version of this work with experts at the Environment Agency and the UK Centre for Ecology and Hydrology (UKCEH), and these metrics are now being trailed through the SFI pilots.
- This work will enable farmers and land managers to sample soil organic matter, count earthworms and carry out visual assessment of topsoil and subsoil in a consistent way, according to different soil types and land uses, so that changes to soil structure can be measured over time and at scale. It will also enable the collection of baseline data to underpin an informal target which is required to help meet the government's 25 Year Environment Plan commitment to have sustainably managed soil by 2030.
- Whilst it is still in its early stages, we would strongly encourage Defra to use the SFI to ensure farmers are testing their soils for these three metrics according to the standardised methodology in development. This data should be recorded and collected for the farmers personal use (to benchmark against themselves and to inform their management choices) as well as to serve as an evidence base for Defra – linking practices being paid by the SFI to tangible soil health outcomes, and in time, enable the establishment of a robust baseline for national on farm soil health. A clear thread between guidance, metrics, and outcomes must be established for the SFI to deliver the government's ambitions.

**3. Is the Government on track to get 70% of farmers, covering at least 70% of farmland, to take up Sustainable Farming Incentive agreements? How have recent changes in global food prices impacted on the attractiveness of the financial incentive in the schemes?**

#### **Uptake**

- Given that the scheme only launched in June 2022, with a rolling application window, and in the absence of any formal announcement regarding uptake, it is impossible to say whether the scheme is on track to meet its target. Defra has not set out how they will report on the number of farmers in the SFI scheme, which standards have been taken up or when the 70% target comes into effect.

#### **Incentivisation rates**

- That being said, it is right to highlight the increase in global food prices and their potential impact on the schemes. For example there is a risk that an increasingly profitable wheat and oilseeds market might motivate farmers to expand intensification of monocultures rather than joining the SFI. This concern was voiced during a stakeholder workshop we hosted in March, 'Soils in the Sustainable Farming Incentive (SFI): Delivering results for farming and the environment?' in partnership with Defra. It provided an opportunity for a range of organisations (science, farming, policy-making, NGO) to review the SFI scheme and its two soils standards - the workshop report summarising the comments and concerns raised can be found [here](#).
- Central to scheme uptake will be whether farmers see it as cost-effective in the long turn. Whilst it is early days, we are concerned that existing payment rates will make participation attractive for farmers who are already on a journey to sustainable farming, but not enough to incentivise those who need to make the fundamental shift and change their farming system.
- By way of example, payment rates for the intermediate arable standard currently on offer will not cover the seed costs for multi-species green cover. It will only work for farming businesses who already see the value in taking this further step for reasons such as increased soil health and improved soil structure.
- **To properly understand the progress of the scheme over time, it is necessary to understand it in the context of the underlying economic model (e.g. environmental benefits vs overheads). The cost-benefit analysis/calculations behind the payment rates have not been made public, and this is an area where we would recommend the Committee takes action – by urging the**

**government to be more transparent about the figures at stake. This would enable a regular review of trends in uptake against investment as well as the potential impacts of trade deals, geopolitical developments and other other economic drivers .**

#### **Private markets**

- Alongside the recent changes in global food prices, we would draw the Committee's attention to an additional critical issue which might impact upon take-up – the farm soil carbon marketplace, whereby farmers are paid to adopt carbon-positive farming practices. As it stands, the market is still immature (many schemes only launched formally in 2021), and engagement in these projects across the UK remains small. No holistic analysis of the scale, quality and scope and barriers to growth of the marketplace have taken place.
- The reason this should be considered in this context is that farmers are already concerned that participation in one scheme (SFI) might disqualify them from participating in another on the grounds of a principle called 'additionality' – whereby two different 'investors' (government and private sector) cannot pay for the same thing twice. Many private sector schemes have clauses to that effect, which is acting as a barrier to SFI participation, and if not addressed could impact on hitting targets for the scheme. Defra have indicated that they do not want ELMs to 'crowd out' private funding and investment, however greater clarity is needed as to how this might legally be achieved.

#### **Stacking and bundling**

- Investment for soil carbon is only one of the financial drivers underpinning the sequestration of carbon into soils. By aggregating demand for multiple services, it will be possible to design packages of measures including those that sequester and store soil carbon that provide multiple co-benefits including improved water quality, biodiversity, resilience to drought, and improved yields (see Reed et al, 2020) as has been successfully done in Landscape Enterprise Networks.
- In many instances, only when public (SFI) and private ecosystem support are combined will there be the necessary investment and joined-up thinking needed to give farmers confidence and motivation for long-term change (i.e. permanence) to their land management changes.
- This **blending of public and private schemes is uncharted territory globally – requiring leadership from Defra**. We understand that a policy framework for ecosystem markets is scheduled for the end of the year which will provide more clarity and consistency on the principle of additionality, stacking and data transparency.

### **5. How effectively is the Government communicating and engaging with farmers and other landowner groups about the progress of ELMS?**

#### **Simple tool**

- Defra is keen to demonstrate it has learned the lessons of previous schemes – and to demonstrate that the SFI is clear, simple, user-friendly and non-punitive. In particular it must be flexible rather than punitive when circumstances (e.g., weather) would be unfavourable for the implementation of certain practices.
- The workshop the SSA hosted in March with farming groups, academics, NGOs and businesses on soil's place in the SFI, highlighted areas where the SFI would benefit from further clarity. These included definitions for eligibility, the viability of the scheme for small farms, future flexibility of the scheme design, government commitment to continued payments and how the three ELM schemes will work together. For example, there is currently confusion as to whether those taking part in the Landscape scheme would be eligible for the SFI or Local Nature Recovery schemes.

- In response, Defra indicated it was considering a simple single service for farmers to access these various strands as a single package depending on what they are eligible for. We would welcome this as an effective and efficient tool and look forward to seeing progress on this.

#### Visual representation

- The SFI and other ELM schemes are simple, and in many ways lend themselves to infographics and other simple diagrammatic representations that might be easily communicated via social media and at conferences.
- As yet we have seen no signs of this - indeed the majority of communication from Defra about the scheme has come in text-only format.
- Our understanding is that guidance on Content design: planning, writing and managing content on the gov.co.uk website discourages the use of infographics which can be hard to make accessible if they're too *complicated* and requests officials to *explain the process or topic with text before you consider creating an infographic*.
- **The failure to translate the SFI messages into simple visuals feels like a missed opportunity to engage farmers, especially younger farmers through social media and spread the message of the SFI beyond the farming community. It would be valuable if the committee would explore whether official guidance does indeed preclude the use of infographics in the way described – and if so, whether Defra could instead signpost third party websites which provide such content relevant to the soils standards to facilitate the farmer journey.**

#### 6. Should the Government change the focus on the ELMS scheme and/or the timescales for implementation given the current pressures on farmers and facing UK food security?

- No. The fundamental principle of 'public money for public goods', and the clear recognition that soil is critical for delivering public goods – carbon sequestration, biodiversity etc remains the right one.

#### Soil Carbon

- Where careful consideration is needed in terms of timeframes, and in particular the timeframes for soil carbon, is when it comes to reflecting how it changes over time and why. As it stands, farmers must increase or maintain soil organic matter at a healthy level by the end of the three year SFI agreement. However, one prescribed application of organic matter is unlikely to improve low organic matter levels in arable soils within the timeframe (given the slow nature of the process).
- As an adjunct we would point out that, when it comes to the storage of carbon in soils (soil carbon sequestration), the evidence base is thin - especially when it comes to understanding the impact of specific management options on specific soil types and under specific environmental and social conditions.
- As a priority, we urge the government to invest in filling this knowledge gap, and specifically scenario modelling to predict outcomes of different soil management interventions on soil carbon sequestration across all UK farming systems. This would provide vital information to UK farmers and land managers to help them make critical land use and management decisions under growing demands and markets for land-based carbon, alongside the increasing pressures on agricultural food production. It will also provide the necessary data to help understand the impact of the SFI against one of its core metrics – carbon sequestration.

#### Long-term transition

- Ultimately the measure of success for ELM must be achieving long term change, transition to sustainable, regenerative farming practices – meaning the overall compliance regime must focus on a direction of travel rather than strict compliance. When it comes to soils - and after a

generation of policy neglect - Defra needs to establish trust-based relationships around an understanding of contextual circumstances and the complex nature of soil ecosystems – including possible derogations being applicable when unforeseen circumstances make meeting the required output in any one year impossible.