

Environmental Land Management and the agricultural transition: EFRA Inquiry

Food, Farming and Countryside Commission Submission
29th January 2021

Introduction

The Food, Farming and Countryside Commission brings people together to find radical and practical ways to improve our climate, nature, health and economy.

FFCC's report [Our Future in the Land](#) lays out the findings of an independent inquiry on food, farming and the countryside funded by Esmée Fairbairn Foundation. The inquiry ran from 2017 to 2019 and identified three critical and interlocking areas where a radical rethink and practical actions are required. These are:

- Healthy food is everybody's business
- Farming is a force for change
- A countryside that works for all

A key recommendation in the report is a **ten-year transition plan to agroecological farming in the UK** which can help to deliver many of the objectives of the government's Agricultural Transition Plan.

We are currently building the evidence base that explores the potential of an agroecological UK food system by 2030 to optimise farming outcomes for climate, nature and health. Our latest research [Farming for Change](#) shows that a future farming system, based on agroecological principles that removes the need for artificial inputs, is feasible for the UK - allowing us to feed a growing population healthily, restore nature and free up land for other uses such as growing more trees to sequester carbon, whilst also not offshoring our food needs to other countries and still maintaining current export capacity. Our report [Farming Smarter](#), provides an overview of economic and social conditions affecting our farming system in the UK and makes the case that agroecology is good business.

FFCC has concluded that a profound ecological transformation of food and farming is urgently needed as we enter a period of rapid ecological, climate and social change.

The Commission's work is supported by a cross-sector Farming Leadership Group that builds collective leadership across the farming sector and wider supply chain to act together on shared and urgent challenges and to support the transition to more agroecological farming practices.

We welcome the EFRA Committee's inquiry and look forward to being able to work closely with you this year as fundamental building blocks are put in place to support the agricultural transition. We would be happy to share our expertise and networks as a supportive partner of your efforts.

1. Is the Government's timeframe for the national pilot, full roll-out of ELM and phasing out direct payments by 2027 feasible?

The timescale to roll-out ELM and phase out direct payments may be feasible, but the redesign of financial incentives must consider all the resources required to support radical change to farm business models. Farmers will require professional advice and training to support changes they make on their farms to access ELM and to transition to more climate-friendly farming. The timescale to put resourcing and infrastructure in place to achieve a fair transition for farming businesses of all shapes and sizes must take account of the need for this broader provision of support.

ELM will provide some surety to farm businesses as it will develop market demand for public goods. But to support the transition and allow farms to develop robust business plans, further clarity on the development of markets for natural capital, carbon and climate-friendly food is also needed.

2. Will the Sustainable Farming Incentive be a viable support measure for farmers before the full roll-out of ELM? Is further support required during the transition period?

FFCC believes that all farmers should be encouraged and enabled to participate in ELM so that all land benefits from the scheme's intentions. This can best be facilitated by a culture that recognises the importance of developing farming as a 'whole system' and providing universally accessible support. Crucially, the Sustainable Farming Incentive (SFI) should drive whole farm planning, holistic farm management practices and more circular farming methods that drive collaboration between farmers. The SFI needs to set the direction of a more enabling policy framework that encourages multi-functional land use.

The SFI should encourage a range of foundational agroecological practices to help shift farming towards a more regenerative approach in advance of the full roll-out of ELM. This could include prioritising investment in flexible/non-redundant infrastructure, increasing farm structural diversity to maximise ecosystem services, minimising chemical/synthetic inputs, covering the soil, incorporating livestock into rotations, planned rotational grazing, and increasing grassland sward diversity. The SFI should help create the agronomic and land use conditions for farmers to incorporate the production of pulses, fruit, and vegetables into their farming system to support wider ambitions around health and dietary change.

During the transition period further support should be given to farmers to financially and ecologically evaluate their assets to provide a sound base for future farm business decisions.

There is a substantial challenge to get information and advice to farm businesses. Many are online, but equally many are not and do not access information and advice that way. During this critical period of change, advice needs to be proactively provided through a network of trusted advisers who can get up farm drives and around kitchen tables to help discuss options. Defra should explore innovative ways of achieving this to support all farms into the scheme, such as by providing relief workers to give farmers time to get off the farm, or by making the most of existing local advice points or networks.

3. How effectively has Defra engaged with land managers and other stakeholders on the design of ELM, including on the transitional arrangements?

FFCC's ongoing inquiry suggests that many farmers are frustrated by the current lack of detail within ELM against which to plan their business activities. The intention to co-create that detail throughout the life of the programme is welcome but that process needs to be communicated and more effort put in to explaining the transitional arrangements.

Many farm businesses will be developing budgets and cashflows at this time of year without much of the information they need. Many will be investigating new ventures and diversifications, potentially outside of farming. Crucially, many may be doing nothing at all because they are simply not aware of the changes coming and what they mean for their business.

Sufficient information has to be given to farmers to encourage them into the scheme and guaranteed for a sufficiently long period of time to give the confidence and stability required for all sizes of farming enterprise to make the transition to greener systems.

4. How can ELM be made an attractive business choice for farmers and land managers while effectively delivering its policy goals?

Designing a scheme which sets out to improve both the whole farm and as a result, the UK's natural assets, will be important. It would be a mistake to design a scheme in which farmers could benefit financially from opting into scheme features around the margins of their holdings, whilst leaving the main enterprise otherwise unimproved. For an ambitious and necessary Green Recovery, the scheme should incentivise rapid investment in nature-based solutions, sustainable farming and land use. Agroecological farming systems do all these things, whilst also providing nutritious food for people. We would like to see an increase in ELM test and trials supporting whole farm approaches and the delivery of agroecological farming practices.

As we demonstrated in the [Field Guide for the Future](#), some farmers are already at the forefront of this transition to sustainable agriculture based on agroecology. Many others however remain worried about the future. They feel locked into a system that, at worst, could lead to insolvencies, land abandonment, and the UK importing more food and offshoring the environmental costs of or food production to other countries.

More work is needed to connect the delivery of public goods through ELM as a central element of a financially viable farm business. The risk of not achieving this is further diversification away from agriculture and ELM will not achieve its desired uptake.

For ELM to drive the transformational change that is needed the scheme must also consider why farm businesses find it difficult to change practice and the conditions that could help them overcome this. Many powerful factors can inhibit change in the sector. They include: path dependency, whereby certain practices become self-reinforcing through the investments they require and the need to see a return on those investments; export orientation, driving highly-specialised and industrial modes of production of exportable bulk commodities and kept in place by policies and incentives; the expectation of cheap food, which industrial agriculture is uniquely positioned to provide, encouraging farmers to supply large volumes of specific commodities at low costs; and 'feed the world' narratives that claim the same actors who have driven productivity increases of the past must remain at centre stage, while deflecting attention away from the failings of industrial agriculture.

ELM can be an attractive business choice for farmers, but the scheme must encourage innovation, provide clarity on payments for public goods, support good business practice and sound financial planning and back early and no regret actions on farms that lead a transition to a greener and fairer farming system.

5. **How can the Government ensure that ELM agreements achieve their intended environmental outcomes, reduce bureaucratic burdens on farmers and deliver value for money?**

ELM agreements must stimulate opportunities for more collaboration between farms, the joining up of natural habitats, the sharing of resources, costs, and knowledge between farms, the cycling of nutrients, the integration of mutually beneficial enterprises (e.g. livestock), the stacking of more enterprises on farms and the sharing of risk in co-developing local markets.

ELM could also encourage a longer-term, more rotational approach to farming practices through short-term land exchange between arable and livestock farmers to mutual benefit to produce the effect of mixed farming whilst individual farmers continue their specialisms.

6. **What lessons should be learned from the successes and failures of previous schemes paying for environmental outcomes?**

Closing the gap between policy intent and implementation must be at the centre of government thinking. Defra must work closely across the industry to address significant obstacles to achieving the desired outcomes. Much of the welcome policy direction relies on long-term planning and investment in areas like soil health. Complex and often short-term land tenure arrangements can block actions aimed at long term restorative and regenerative outcomes.

ELM should ensure environmental schemes do not remain physically peripheral in the farmed landscape as they will remain equally peripheral in farm business decisions. Options need to

place environmental and economic outcomes as equally important. Support should be given to agroecological practices through scheme options that bring environmental outcomes into the middle of the field and the centre of business planning.

FFCC recommends the allocation of 10% of UKRI investment in agriculture research programmes to farmer led and peer to peer research programmes, focussed on adopting and developing agroecological practices at pace to place environmental outcomes at the heart of farm operations. Programmes like Innovative Farmers and Farming Connect demonstrate the power and impact of collaborative approaches to transform farming practices at scale.