



Department  
for Environment  
Food & Rural Affairs



**Farming is changing  
here's what you need to know**

Farmers and land managers provide high-quality food while enhancing and protecting our countryside. Leaving the EU means we can shape English agricultural policy so it supports both endeavours. This leaflet sets out our intended changes.

Once we have left the EU and once our Agriculture Bill has been passed by Parliament, we can put our intended changes into practice and be clearer about our timeline. But most importantly, regardless of exact dates, we are preparing for every eventuality.

To make sure there's a gradual transition from the current system to the new, we plan to make changes over a seven-year agricultural transition period. We want to give farmers and land managers sufficient time to adapt and prepare.

During this period, we plan to phase out Direct Payments in England. In doing so, the relationship between government and farmers will start to change as we move away from a subsidy-based approach to a more business-like partnership.

We recognise that farmers, land managers and the numerous sectors that support our agricultural industry need to plan ahead for this, to make sure their businesses are self-reliant, productive and resilient. To enable this, we will provide information on policy decisions in a timely way.



**We aim** to become more collaborative, working in partnership with farmers, land managers and others involved in agriculture to design and develop a progressive system.



**We aim** to become less bureaucratic, and to engage and communicate effectively with the farming community on policy and operational issues, when decisions are made, and during periods of uncertainty.

**We aim** to promote the important role of the agricultural community and the positive contribution it makes to our environment and to the food sector.

# WHAT'S CHANGING?

## Direct Payments

### Phasing out Direct Payments

We plan to phase out Direct Payments in England from 2021 to 2027. We'll reduce the payments fairly – in the first year, the biggest reductions will be applied to the higher payment bands:

DIRECT PAYMENT BAND*	MAXIMUM REDUCTION
Up to £30,000	5%
£30,000 - £50,000	10%
£50,000 - £150,000	20%
£150,000 or more	25%

\* For example, for a claim worth £40,000, we will apply a reduction of up to 5% to the first £30,000 and up to a 10% reduction to the next £10,000.

We'll set the reduction percentages for later years by taking into account our detailed plans for future schemes and wider decisions about government spending. We will keep farmers updated as decisions are made.

### Delinking

We plan to 'delink' Direct Payments from the requirement to farm the land, and we plan to make these payments regardless of whether the recipient chooses to continue farming or not.

We plan to consult on the detail of these changes and will share guidance with farmers in good time before delinking starts. The earliest we would delink payments is 2021.

The delinked payments could be used in any way – for example, to invest in improving productivity, to diversify the business or to retire from farming. This should help to provide more opportunities for new entrants, and existing farmers wishing to expand, or to buy or rent land.

## Lump sum

We're also looking into the option of offering farmers a one-off lump sum in place of any further Direct Payments they would have been entitled to receive. We plan to run a consultation with farmers later in the year to look into how this could work best. Regardless, the earliest we'd offer the lump sum would be 2021.

## Regulation

By 2021, we plan to communicate what compliance looks like and how we will monitor regulations in the short term. In the longer term, we plan to adopt a partnership-based approach in designing a future regulatory system. This means we will work with farmers to develop ways to monitor regulations in the future.

Our new approach to regulation and enforcement will be more targeted. We will balance maintaining robust regulatory requirements – which protect our standards and reputation – with proportionate monitoring, inspection and enforcement activity.

We want to create a new culture of regulation, one which encourages better communication and data-sharing between Defra agencies, and a smoother, less burdensome experience for those who are regulated. We want to start doing this regardless of when and how we leave the EU.

## Rural Development Programme

The current government has committed to fund all Rural Development Programme projects commencing before the end of 2020. These projects will run for the lifetime of their agreement.

We recognise the unique situations of our rural areas and the support they'll require after we leave the EU.

This is why we are working with the Ministry of Housing, Communities and Local Government to develop the ways in which the UK Shared Prosperity Fund will support the rural economy after we leave the EU.



## Countryside Stewardship

Under current plans, new Countryside Stewardship agreements will continue to be available in the first few years of the agricultural transition period.

We will ensure there is a smooth transition from Countryside Stewardship to the new Environmental Land Management (ELM) scheme. Under the transition plans, there will be a period of time in which both the old and new systems operate. This will allow time to plan and prepare for the future.

No one in a Countryside Stewardship agreement will be unfairly disadvantaged when we transition to new arrangements under ELM. Until then, signing a Countryside Stewardship agreement gives a viable, long-term source of income for providing environmental benefits.

## Transparency in the supply chain

We want to give farmers and producers better access to data: enabling those who produce our food to make more informed, market-driven decisions, and equipping them in their negotiations with processors and retailers.

We also plan to publish, maintain, and enforce statutory codes of practice, which will help farmers to be confident that they are receiving fair treatment in their business dealings.

Under current plans, we will also replace the European Producer Organisation system with one that is tailored to the needs of farmers and growers in this country, and that will provide a system that makes greater collaboration between primary producers easier.

## Tree and plant health

In recognition of the valuable environmental benefits provided by our trees, woodlands and forests, we are reviewing the existing package of tree health grants designed to protect our treescape from the ever increasing threat of pests and diseases.

We are looking at ways to support local action groups to help land managers get local information and take a co-ordinated approach to reducing risks and responding to outbreaks. Additionally, we are looking at ways to provide improved information such as best practice biosecurity training materials, rapid alerts, and clear information on current pest and disease threats.

## Animal health

We know that farmers dedicate a huge amount of energy to caring for their animals. That's why we're working in close partnership with farmers and vets to develop a new approach to preventing endemic disease and improving the health of livestock. This means even healthier and more productive animals, as well as a reduction in greenhouse gas emissions from livestock, and helping to control antimicrobial resistance.

This approach will involve new ways to support farmers. We want to help farmers to take co-ordinated action. We're developing the details of these actions with farmers to ensure they will make a real difference - both on farm and beyond.









# FUNDING AND FINANCIAL SUPPORT

## Environmental Land Management

We want to pay farmers and land managers for providing environmental benefits. In 2024, we plan to launch our new Environmental Land Management (ELM) scheme as one way in which to do this.

This new approach isn't a subsidy. Those who are awarded ELM agreements will be paid public money in return for providing environmental benefits. The benefits we'll fund include:

-  Clean air
-  Reductions in environmental hazards and pollution
-  Thriving plants and wildlife
-  Clean water
-  Mitigation and adaptation measures to minimise the impact of climate change
-  Enhanced landscapes

## Animal welfare

We will build upon our world-leading animal welfare standards after we leave the EU. We will do this in part by developing publicly-funded schemes for English farmers to provide animal welfare enhancements beyond the regulatory baseline – ones that are valued by the public and not sufficiently provided by the market.

As part of these schemes, we are exploring the option of an animal welfare grants programme to provide one-off payments to help farmers move beyond our already world-class baseline standards.



The grants could cover investment in equipment, infrastructure, technology or training and innovation.

We are also exploring a payment by results scheme, under which we will reward farmers with on-going payments if they sign up to and achieve animal welfare enhancements above the baseline. The enhancements will be evidence based, clearly defined, measurable and have positive impacts on animal health and welfare.

Finally, we are looking at ways to ensure that consumers have a clear understanding of animal welfare standards and can identify those standards easily when purchasing products.

We'll keep farmers updated on when these initiatives will be introduced.

## Investment support

We want to support increased productivity so that our future farming system thrives, and so that our environment is managed in a sustainable way. During the agricultural transition period, we plan to offer financial assistance for those wanting to invest in equipment, technology, and infrastructure, which would help them improve productivity, manage the environment sustainably, and provide other public goods.

We will work with farmers and representative organisations to make sure that we support investments that make a positive difference.

## Research and development

We intend to support research and development (R&D) projects that aim to improve productivity and facilitate more efficient and sustainable food production.

We are planning a package to address farming industry challenges and to increase the take-up of innovative solutions on farms. The innovation R&D package will enable farmers to work with research organisations to carry out research projects: working together to find new ideas and technological solutions for the things that will really make a difference. This will build on the £90 million Transforming Food Production initiative, which will support a technology and data-driven transformation in UK agriculture as we leave the EU.

## ADVICE AND INFORMATION

For a more **detailed explanation of future English agricultural policy**, go to **GOV.UK** and search for 'future farming policy statement'.

We also publish important **policy news** on **gov.uk/defra**. Please bookmark this page and check it regularly for updates. You can use the menu of topics at the top to check for specific information.

For further information on **how to prepare for Brexit** and the steps you may need to take, go to **gov.uk/euexitfarming**.

### Contact us

If you need further information about **CAP schemes** including the Basic Payment scheme and Countryside Stewardship:

Telephone: **03000 200 301** and select Option 1 - Rural Payments (Mon- Friday 8:30am– 5pm)

For further information on future farming and environmental land management policy and CAP scheme transition:

Email: **defra.helpline@defra.gov.uk**

For further information on making the most of your existing woodlands or planting new ones:

**gov.uk/forestrycommission**

### Business support

#### Agriculture and Horticulture Development Board

The Agriculture and Horticulture Development Board (AHDB) equips the industry with easy-to-use, practical tools (**ahdb.org.uk/tools**) and know-how which can be applied straight away to make better decisions and improve performance.

AHDB supports the following industries: meat and livestock (cattle, sheep and pigs) in England; horticulture, milk and potatoes in Great Britain; and cereals and oilseeds in the UK.

Telephone: **024 7669 2051**  
(Monday to Friday, 8am - 5pm)

Email: **info@ahdb.org.uk**

Following a consultation last year, we will be running a review of AHDB to make sure it provides exceptional value for money. We will publish any related news later this year.

#### Business finance support

Your business can get advice and financial help from government-backed schemes:

**gov.uk/business-finance-support**

Filter by 'Agriculture and food' for a list of schemes

#### Local Enterprise Partnerships Network

You can also find free support, advice and sources of finance through your local 'growth hub', led by Local Enterprise Partnerships (LEPs):

**lepnetwork.net/growth-hubs**



