

Matthew Berryman



Land subsidies: Help or hindrance?

Which scheme could help you?

🌐 www.c-l-m.co.uk ☎ 07710 765323

✉ matthew@c-l-m.co.uk

For more than three decades farmers and land owners have been able to claim subsidy designed to support agricultural production and also to encourage environmental protection.

Recently these have been worth in excess of £3 billion per annum to the UK land-based sector but their future is less certain as we approach Brexit. After our departure it is likely the essence of the Schemes will survive but, perhaps, under new names. Fundamentally, government appears to

support ongoing payments to agriculture but these are likely to be more focused on bringing enhanced environmental benefit.

Currently there are two main options. The Basic Payment Scheme is fundamentally a support payment underpinning agricultural production. Viticulture qualifies under BPS. It also includes an element of environmental protection. Applications are made yearly and all land use is recorded to include arable cropping, permanent pasture and non-agricultural land such as yards, tracks and ponds. The current scheme requires that 5% of the total of any arable area needs to have a land use compatible with the required Ecological Focus Areas (EFA). For example, 100 ha of arable crops require 5 ha of EFA which can comprise of perimeter land left fallow, hedges adjacent to arable land and crops sown to provide food for birds.

The Countryside Stewardship Scheme is focused entirely on environmental measures and rewards land managers for adopting specific features such as leaving uncultivated field margins, establishing wild bird seed parcels and nectar and pollen plots. Agreements last for five years and can be designed to suit the land to be included. It is often possible to apply for a scheme that pays for management options already incorporated into the system. For example, unfertilised permanent grass used for producing hay could qualify as "Permanent Grassland with Very Low Inputs" and pays an annual income of £95 per hectare.

The schemes can be successfully integrated into a vineyard and many already benefit from the additional income which can be particularly valuable in the years before vines reach maturity. However, the schemes are best suited to holdings of at least 15 hectares where there is more likely to be opportunity to incorporate the land management requirements without adversely affecting grape production.

Finally, for those undecided about the worthiness of an application prior to Brexit, previous experience has shown that those already benefitting from support payments are more likely to be eligible for replacement schemes resulting from significant administrative change. It is now too late to make a CSS application for a 2019 start but BPS will be available to new applicants next year.

Countryside Stewardship (CSS)

A wide range of management options is available to design an individual farm specific scheme. Each management option has its own annual payment rate ranging from around £18 for a skylark plot to £640 per hectare for winter bird food plots

Applications are measured against local priority targets to maximise environmental benefit

The land must be available for five years for the Mid-tier scheme or 10 years for the Higher tier scheme

Applications must be submitted by 31st July in the year preceding 1st January start date. If an application is successful an annual claim form is completed and sent to Natural England by 15th May. CSS is competitive, an application is not guaranteed to be successful

An application must be for a scheme that has an annual income of £1,000 or more

CSS includes payments for conversion to organic status

CSS includes payments for capital items such as fencing

Basic Payment Scheme (BPS)

Annual scheme, minimum 5 hectares eligible farm land required, woodland is not eligible

Land manager and land must be registered with the Rural Payments Agency

Must have BPS entitlements for eligible land – one hectare requires one entitlement

Vines are classified as a "permanent crop" and qualify in their own right. But if the BPS claim includes other arable land exceeding 10 hectares multi crop rules apply and if more than 15 hectares Ecological Focus Area rules also apply

Scheme year starts 1st January

Payment rate in the region of £80 per acre (£200 per hectare)

Applications are made to the Rural Payments Agency annually by the 15th May