

DON'T BE AN OSTRICH

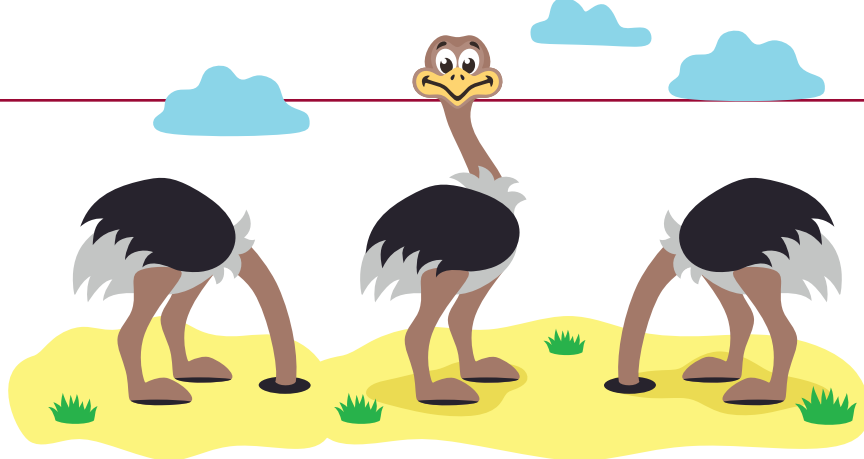
In a world where much is unknown, here's one thing we do know: Farms will see a huge drop in direct subsidy payments over the next nine years.

A 200ha (500 acre) farm received a BPS payment of £45,700 in 2018; dependent upon fluctuations in the exchange rate, this will be similar in 2019 and 2020. 2021 will see a reduction of just over £3,000, followed by aggressive annual reductions with payments tailing off to £0 in 2028. Tempting as it is to put one's head in the sand and hope that it's never going to happen, I would suggest that this probably isn't the best course of action, it certainly didn't serve David Cameron very well!

If ELMS (Environmental Land Management Schemes) is to be the replacement for BPS and the first opportunity to derive funding from this scheme will be 2025, a 200ha farm will, based on the estimation above, have already seen a cumulative reduction in subsidy income of more than £76k between 2020 and 2025. The question is: Can you wait for as long as that to see what ELMS looks like?

How might you address this soon-to-be gaping hole in the farm accounts? Some will, of course, choose to fill the time by burying their head in the sand. A more productive approach – and one many are now taking – is to consider the options that are currently available.

The Countryside Stewardship Scheme (CSS) has rightfully, in many instances, had its share of bad press and this has inevitably put people off considering it, but



a five-year agreement which provides a guaranteed payment can surely not be ignored.

Even taking into account the fact that the RPA can't currently make payments for this scheme on time, it would certainly help to fill the void left by an ever decreasing BPS cheque. Better late than never if you follow my thinking.

A successful application submitted this summer will result in an agreement starting in 2020 neatly filling the five-year gap to 2025 and the much-vaunted introduction of the shiny new scheme billed by Michael Gove as "a pipeline of income to supplement the money made from food production, forestry and other business activities".

The lack of interest in CSS means that in every year to date a scheme that in theory is 'competitive' has in practice been very much a case of pushing against an open door for applicants, with many

achieving genuinely meaningful annual incomes often further bolstered by generous capital payments for things such as fencing.

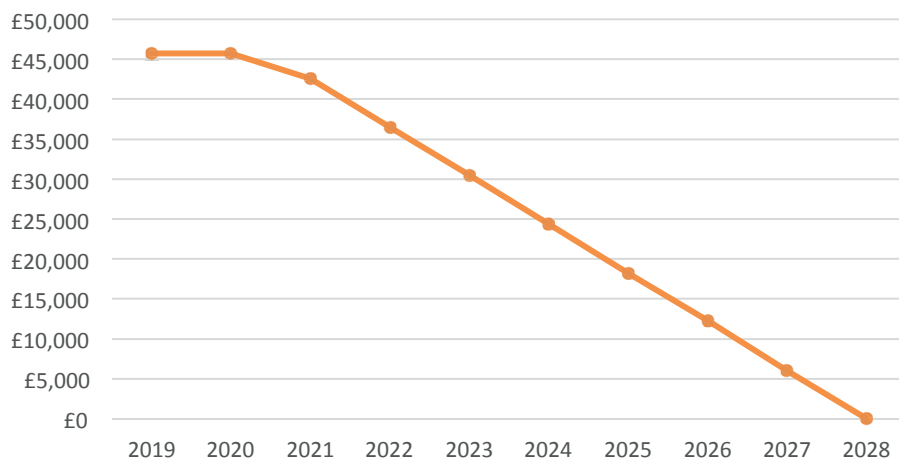
While CSS will undoubtedly require a bit more effort than ELS did, it could also help provide a means to span the gaping chasm between the beginning of the end of BPS and the start of ELMS.

It has always been possible to successfully combine farming and conservation. Farming is, of course, the reason why the ecosystem-services, habitats and species that Michael Gove is so keen to conserve are present today.

The Countryside Stewardship Scheme – while far from perfect – offers an opportunity to not only conserve some of these benefits, but also importantly to conserve the state of your farm accounts with a guaranteed income stream throughout a period of uncertainty.

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Estimated BPS Payment



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