

BEYOND BPS

How farmers and landowners are approaching a changing policy framework

RESEARCH HIGHLIGHTS VIEWS ON THE NEW ENVIRONMENT-FOCUSED SUPPORT SYSTEM FOR AGRICULTURE

Landowners and farmers recognise the importance of improving environmental performance, but many have reservations about the introduction of the new Environmental Land Management (ELM) scheme, according to the results of a joint Country Land and Business Association / Strutt & Parker survey.

The government is committed to meeting a net zero greenhouse gas emissions target by 2050, which will require significant changes in both land use and land management practices. Its ability to cut greenhouse gas emissions from land use will be reliant on the actions of land managers. Therefore, it is critical to understand how they are thinking and what they want and are willing to do.

The Agriculture Bill, which sets out how new farm support schemes will operate in England, was given Royal Assent in early November. This means 2021 will mark the start of a transition for farmers away from direct payments towards a new system of farm support based on rewarding them for the provision of environmental services through ELM.

As a barometer of how land managers in England and Wales feel about this changing policy framework, Strutt & Parker in conjunction with the CLA, carried out a survey during October 2020. We asked how landowners and farmers felt about the direction of travel in terms of policy, whether they have any particular concerns and which public goods they were most likely to want to provide through improved environmental management.

The survey was undertaken ahead of Rural Powerhouse Week (Nov 23-26 2020), to help provide insight into landowners' thinking and actions and to demonstrate where we believe Defra may need to concentrate its efforts as it looks to refine its plans for ELM during the transition period.

Learn more in this paper on:

- What land managers think about the environmental agenda
 - What land managers are most willing to do
 - What land managers think about the change from Basic Payments to ELM
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KEY FINDING 1: LANDOWNERS ARE POSITIVE ABOUT THE ENVIRONMENTAL AGENDA

The survey demonstrates there is already strong interest among farmers and landowners in the environmental agenda, including the need to tackle climate change.

80% of respondents said they are concerned or very concerned about the consequences of the loss of variety of life (biodiversity) in the UK. About half said that they are already taking actions to try to reduce greenhouse gas emissions (GHG) from their land or property:

FIGURE 1:
Are you currently taking action to reduce GHG emissions from your land and property?

Number of respondents



Improving energy efficiency



Recycling waste materials from the farm



Improving nitrogen fertilizer application accuracy



Increasing use of legumes in crop rotation



Increasing use of clover in grassland



Improving efficiency in manure/slurry management & application

There is also positive news if land managers are going to be asked to do more in terms of reducing the effects of climate change.

When asked what would motivate them to make climate change a high priority in terms of the management of their land and property, only 3% said that nothing would.

The most frequent response (64%) was that a sense of personal responsibility would encourage them to make changes (see Figure 2 for more details).



FIGURE 2:
Thinking about climate change, what would motivate you to make it a high priority in terms of the management of your land and property?

	% of all respondents
Personal sense of responsibility	64%
Potential cost savings	54%
Efficiency improvements	45%
Growing debate around climate change and land use	32%
Government net-zero target	18%
Nothing would	3%

It is interesting to note from the results in Figure 2 that as a motivator **the government's net zero target had one of the lowest response levels**. It is clear from the results that the government cannot just rely on imposing a policy; and this is despite a significant proportion of respondents (58%) also saying that they did not think that the government is acting fast enough in terms of climate change¹.

There is also a clear willingness by land managers to engage and understand more. When asked a more general question about what would make them more likely to take actions to protect their land and property from extreme weather events (see Figure 3), **some of the highest responses were about having more information on what they could do** and knowing the most effective ways to address the extreme climate weather risks they are facing:

FIGURE 3:
Question - I would be more likely to take actions to protect my land and property from extreme weather events if...

	% that somewhat or strongly agrees
There was more financial support available from the government	73%
I had more information on what I could do	72%
I knew the most effective ways to address the extreme climate weather risks I face	65%
My insurance company lowered my premiums if I took action	64%
I had more money	61%
I had more time	54%
I had the skills to make the required changes	54%
I had more information on the risks	44%
I knew others in my neighbourhood were doing the same thing	39%

The survey has shown that **the majority of land managers have a personal interest in climate change, are willing to act and an appetite to understand it better and get more information** on what they could do.

The points about getting more information were reinforced by about half of the respondents saying that they have average knowledge or don't know what good environmental management looks like on their property.

¹Only 15% think the government is probably or definitely acting fast enough.

KEY FINDING 2: LANDOWNERS ARE MORE MOTIVATED TO PROVIDE SOME PUBLIC GOODS THAN OTHERS

Many land managers are already doing something to help reduce emissions or have signed up to an existing agri-environment scheme.

But it is clear from independent evidence that GHG emissions from land use has not fallen as much as needed and that biodiversity is still declining, so further changes are required.

If more action is going to be needed, it is important to understand what **land managers are most willing to do. The survey responses show that land managers are most interested in measures that are win-win for both the environment and for their own farming activities.**

This is an important insight for policy makers and also advisers.

Activities that do not require permanent land use change or significant changes to farming systems were, understandably, most popular, although there was also significant support for absorbing carbon by tree planting.

However, there was a lower level of support for tree planting to slow flood water flows and growing energy crops to displace fossil fuels. The reason for this is likely to be questions around certainty of outcome and a market for the energy crops grown.

FIGURE 4:
How likely or unlikely would you be to do the following activities on your land through an environmental scheme?

Activity	% likely or very likely to do it	% unlikely or very unlikely to do it
Support pollinators by increasing pollen and nectar sources	78%	<10%
Create more and better connected habitats for wildlife to move along	75%	<10%
Increase soil health and resilience to drought by increasing soil organic levels	74%	<10%
Support farmland birds over winter by providing seed habitats	73%	<10%
Improve water quality by creating protective buffers, including trees, alongside watercourses	61%	12%
Absorb carbon by tree planting	57%	20%
Preserve the historic landscape by maintaining historic farm buildings	55%	7%
Use less fertiliser and pesticides by adopting precision-farming techniques	52%	11%
Reduce the need for pesticides by integrated pest management	48%	<10%
Adopt practices to reduce ammonia pollution to the air e.g. cover slurry stores, switch from urea fertilisers	35%	<10%
Slow flood water flows by tree planting ²	35%	25%
Reduce GHG emissions by restoring peatland to good condition ³	33%	22%
Displace fossil fuels by growing energy crops	25%	35%
Increase public health and welfare by increasing public access opportunities	25%	46%
Reduce methane emissions by changing livestock nutrition	23%	37%

NB Not all respondents had land uses that were relevant to the questions. For example, two-thirds did not have any peatland. We therefore removed those respondents from the analysis to reduce bias.

² Estates are slightly more likely than farms to be likely to carry out this activity

³ Estates are slightly less likely than farms to be likely to carry out this activity

KEY FINDING 3: THERE IS A LACK OF CONFIDENCE IN THE IMPLEMENTATION OF ELM

Most land managers think that their profitability will be lower due to the change from Basic Payments to ELM.

Our modelling supports this, even for the farmers operating in the top 25% of performance. The net profits of the middle 50% of farmers could fall significantly, by 47-68% (excluding dairy).⁴

FIGURE 5:

What effect do you expect the change from Basic Payments to payments for public goods under ELM to have on your farm or business profitability?



The respondents were also very concerned about how ELM will operate:

FIGURE 6:

Do you have any concerns about the direction of new policies like ELM? Respondents could choose multiple responses.

	% of all respondents
Payments will not be sufficient	76%
Administration will be poor	57%
They will be overly prescriptive	56%
Will not deliver the desired environmental benefits	44%
Late payments	37%
No concerns	4%

We think that **the most significant response to this question is that almost half of respondents questioned whether ELM will deliver the desired environmental benefits.** Policy makers need to recognise that it is, psychologically, very hard to motivate yourself and perform well if you don't think what you are doing will achieve your aims. Therefore, we would urge Defra and Natural England to work hard to demonstrate to (not persuade) land managers that their conservation actions will be effective. Figure 4 clearly shows what actions land managers are most willing to take. If the actions they are less willing to take are important in terms of meeting policy targets, then Defra must understand why people are reluctant and how the barriers can be overcome. This can, at least in part, be done through better information and messaging – which the land managers have signalled they would like.

Despite the concerns, **almost 80% of respondents said that they are likely or very likely to apply to ELM or the equivalent in Wales⁵.** Many may feel they don't have an alternative. This makes it even more important that approaches are used that are likely to increase land managers' confidence and awareness, their take up of more challenging options and higher quality management. Evidence on the 'Facilitation Fund' of the Countryside Stewardship Scheme is that funding for facilitation and land manager training have been the most important factors contributing to the achievement of group environmental aims.

⁴ See Farm support, the new Environmental Land Management System and the funding gap – Effect on net profits by farm type & productivity. <https://rural.struttandparker.com>. We can model the effect of three scenarios (standard, optimistic and pessimistic) on any farm or estate for free. Contact our farming team.

⁵ Responding to a separate question, 80% of respondents said that that land managers should be paid for producing 'public goods'. And 57% of respondents agreed that land managers should be penalised for producing 'public bads', such as water or air pollution. This is quite a high proportion and supports environmental protection. Only 7% strongly disagree.

KEY FINDING 4: MOST FARMERS ARE ONLY AT THE START OF THEIR LOW-CARBON FARMING JOURNEY

Only 10% of respondents had undertaken a carbon footprint analysis of their holding, with a number expressing a reluctance because of concern about the reliability and simplicity of the tools available.

In Scotland, the government has tried to address these concerns by recommending a model for farms and estates to use, called AgreCalc. Even if it has limitations, there is a value in all (or most) land managers using the same model to help identify significant emitting actions. It also starts to build experience in using this type of approach and in generating enough data for benchmarking.

DEMOGRAPHIC INFORMATION

In total, 153 people responded to the survey.

We have analysed the data as a whole and also split the sample by whether the respondent was an estate owner / manager or a farmer. This is because we know that the two groups can behave differently and have different motivations.

Estates tend to manage larger areas, with a larger range of activities, have very long-term horizons and more experience with land uses like woodland management. We have stated where there is a difference in response between estates and farms.

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[ENVIRONMENT LAND
MANAGEMENT SYSTEM \(ELM\) –
IS IT ON TRACK?](#)

[THE VALUE OF NATURAL
CAPITAL ACCOUNTS TO FARMS
AND ESTATES](#)

[BPS CALCULATORS TO HELP
FARMERS PLAN FOR 2021-2028
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