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FARM PRACTICES SURVEY – UPLANDS FARM SURVEY 2012 (ENGLAND)

The latest National Statistics produced by Defra from the 2012 Farm Practices Survey of upland farms in England were released on 18 July 2012 according to the arrangements approved by the UK Statistics Authority. This survey updates and widens the evidence base regarding the attitudes and intentions of upland farmers, as recommended within the Uplands Policy Review. A similar survey was conducted in 2009. The key results for 2012 are given below.

Farm characteristics ([Section 1](#))

- There was little change in the characteristics of upland farms between 2009 and 2012. Sheep and/or beef are the dominant enterprise types (found on 77% and 64% respectively of upland farms not renting out all land). The majority of farms (82%) are commercial enterprises (either full time (60%) or part time (22%)). The remainder are either a hobby/lifestyle choice (9%) or let out all of their land (8%).
- Most upland farms (80%) own at least some of their land, although around a quarter also rent in land. Around 8% of upland farms were subject to grazing licences. Almost two thirds of farms (63%) were long established family farms and a quarter (25%) were first generation family farms.

Economics of the farm business ([Section 2](#))

- The farm business accounted for less than half of household income for 49% of upland farms (unchanged from 2009).
- As in 2009, approximately half of commercial farms in the uplands incur debt with dairy farms much more likely to have some form of debt than grazing livestock farms. There has been a reduction in the ease of obtaining finance since 2009 with 18% of those that borrow indicating borrowing is becoming more difficult compared to 11% in 2009.
- As in 2009, 56% of upland farms had a diversified enterprise or off-farm income. Almost half (45%) of upland farms had some form of off-farm diversification or other income and 27% had an on-farm diversified enterprise. The majority of farmers (84%) either agree or strongly agree that there are fewer opportunities for wider income generation for upland farms than lowland farms.

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Agri-environment schemes (Section 3)

- There has been little overall change in the overall proportion of upland farms with an agri-environment agreement since 2009, although the proportion with Countryside Stewardship Scheme (CSS) or Environmentally Sensitive Area (ESA) agreements has declined (as agreements expire) and the proportion with Environmental Stewardship (ES) agreements has increased.
- For those farms with land in the Severely Disadvantaged Areas (SDA), the proportion with an agri-environment agreement has increased from 75% in 2009 to 80% in 2012; 44% have an Uplands ELS agreement. Of the remainder 15% had existing ESA or CSS agreements and were therefore not yet eligible for Uplands ELS and 20% had another type of ES agreement. However, 20% of farms with land in the SDA recorded that they had no agri-environment agreement.
- For those eligible¹ farms not currently in Uplands ELS the most common reasons given were “quantity of paperwork involved” (30%) and “not financially worthwhile” (27%). However 20% considered themselves “not eligible”.
- For those upland farmers in agri-environment schemes, 39% reported that payments made a significant contribution to the farm business compared to 31% in 2009. In 2012, 51% of all upland farmers considered that environmental payments would be an important top up for production returns and a further 33% considered environmental payments to be as or more important than production returns (similar findings to the 2009 survey).

Grazing and grassland management (Section 4)

- 28% of upland farms included moorland, 51% rough grazing (other than moorland) and 89% other, better quality, grassland. By area, 49% of farmed moorland was on land with sole occupancy, 47% on common land and 4% on other shared land. Of those with common land, 78% were part of an active commoner association (or equivalent body).
- In the last 3 years, of those grazing sheep on moorland 42% have reduced or stopped, whilst 6% have increased sheep grazing. For those grazing cattle on moorland, 29% have reduced or stopped, whilst 14% have increased cattle grazing. The most common reasons given for changes were Higher Level Stewardship and Uplands ELS. There were also net reductions in the proportion of farmers grazing sheep and cattle on rough grazing but little net change in grazing levels for other, better quality, grassland. Little overall change is expected in grazing levels in the next two years.

The future (Section 5)

- 60% of upland farmers expect their business to continue for 10 years or more, 19% anticipated their business would continue for less than 5 years. The latter group were more likely to be 65 years or older. These findings are slightly more optimistic than in 2009.
- For 41% of upland farms, succession is secured (almost entirely within the family). For 25% there are no succession arrangements mainly because of no family or the family are not interested. For 34% of upland farms, succession is uncertain. Findings are similar to 2009.
- Over 90% of upland farmers in both 2009 and 2012 considered that maintaining the traditional upland way of life was either very important or important.
- 59% of farmers regard maintaining the environment as part of the process of upland farming and 43% regard it as vital to the future of upland farming, slight increases from 2009. However, 15% consider that maintaining the environment is making upland farming

¹ Excludes those with an existing ESA or CSS agreement.

more difficult and 8% consider that it makes upland farming less profitable, these were more likely to be full time commercial farms.

- The four greatest challenges for the future were seen to be market prices (71% of farms), changes to Single Payment Scheme payments (70%), the impact of new regulations (63%) and the level of environmental scheme payments (52%).

Background to the survey

The first Farm Practices Survey specifically aimed at upland farmers, was run in spring 2009 in order to better determine their attitudes and intentions. The results² have been widely drawn upon including within the Uplands Policy Review and have facilitated further research and analysis (e.g. uptake of the Uplands Entry Level Scheme). The 2012 survey seeks to update and extend this important evidence base. Where relevant, comparisons have been made with the results from the 2009 survey.

Survey methodology

The Uplands Farm Survey 2012 survey form was sent to approximately 2,000 holdings in February 2012. The survey was completed on a voluntary basis but still achieved a response rate of just over 50%. Thank you to all of the farmers who have completed a survey form.

As in 2009, the survey targeted Single Payment Scheme (SPS) claimants with land within the Less Favoured Areas (LFA). In 2011, there were 20,800 farm businesses that claimed SPS and had at least one parcel of land within the LFA. Thresholds were applied to reduce the burden on farmers and to ensure that the form was relevant for those targeted. To be included, businesses had:

1. at least 20 hectares of LFA land and at least a third of their total land area contained within the LFA; or
2. at least 5 hectares of land entirely within the LFA.

Each of the upland regions in England has its own unique characteristics and agricultural practices can vary significantly between regions. To create a robust and efficient sampling regime, businesses were stratified by region and farm size (measured by LFA area). This method ensures good coverage in all upland regions and minimises the burden on smaller farms within our population. For sampling, businesses were classified into 12 regions based on groups of National Character Areas (NCAs)³. A list of the NCAs assigned to each region is included in Appendix 1. The Disadvantaged Areas of the South West were considered to be more lowland in character than other parts of the English LFA. Businesses in this area were therefore not included within the survey.

The results presented in this notice reflect the views of the 13,017 businesses that meet the criteria discussed above and for which contact details were available on the farm survey register in December 2011. A regional breakdown of the number of businesses within the population and the sample are shown in below (Table A).

² Publications drawing upon the survey data include [Farm Practices Survey of Upland Farmers 2009](#) (Defra), [Farm Practices Survey of Upland Farmers 2009 - detailed report](#) (Defra), [Farming in the English uplands](#) (Defra), [Economic and environmental impacts of changes in support measures for the English uplands](#) (CCRI/FERA on behalf of Defra), [Public attitudes and preferences for upland landscapes](#) (Defra), [Uptake of Uplands ELS and the Upland Transitional Payment](#) (Defra).

³ England has been divided into 159 NCAs based on their physiogeographic, landuse, historical and cultural attributes. At least 60 NCAs have some land within the LFA. See <http://www.naturalengland.org.uk/publications/nca/default.aspx> for more details on NCAs.

Table A: The sample design and response rates

Region / Farm LFA area	Number of eligible holdings in England	Number of holdings sampled	Response rate %
Northumberland	872	160	59
North Pennines	1,244	202	59
Lake District	1,532	247	57
Cumbrian Coast	259	39	44
North Yorkshire Moors	561	173	50
Yorkshire Dales	1,344	229	62
Bowland	661	107	62
Peak District	2,629	334	44
South Pennines	1,508	204	53
Welsh Borders	982	143	59
Dartmoor / Bodmin Moor	721	103	46
Exmoor	704	105	54
All farms	13,017	2,046	54

Data analysis

Results have been analysed using a standard methodology for stratified random surveys to produce national estimates. With this method, all of the data is weighted according to the inverse sampling fraction.

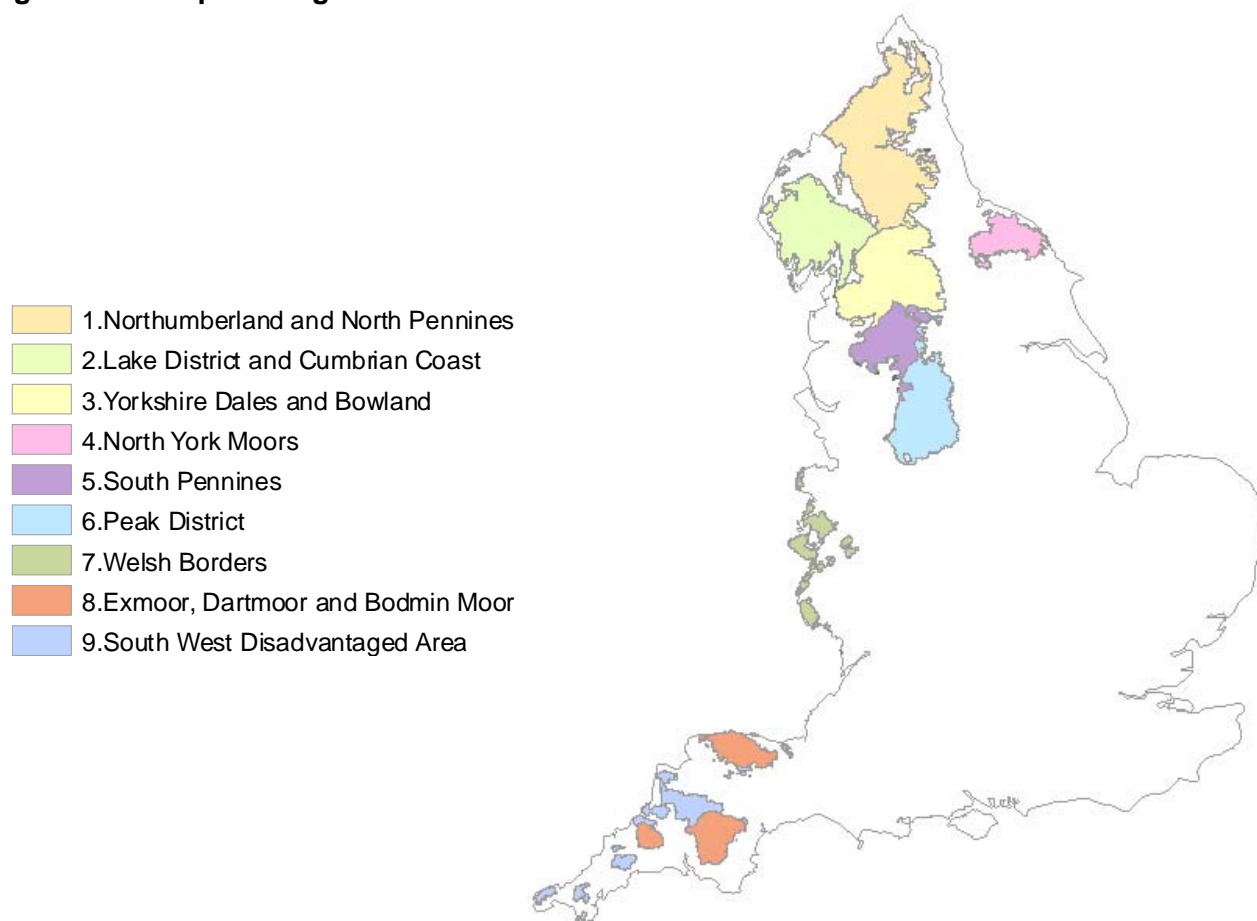
For the regional results published in this notice adjacent sampling regions have been grouped to give the following 8 reporting regions: Northumberland and North Pennines, Lake District (including Cumbrian Coast), Yorkshire Dales and Bowland, North York Moors, South Pennines, Peak District, Welsh Borders and the SW Moors (Exmoor, Dartmoor and Bodmin Moor). A map of these regions is shown in Figure 1.

Definitions

For the purposes of this survey land has been broken down into the following 3 categories:

1. **Moorland** – open or enclosed moorland areas including both sole occupancy and commons
2. **Enclosed rough grazing** – lower quality grazing land below the moorland line
3. **Other grassland** – improved and semi improved grassland areas that form the better quality grazing land on the holding.

Figure 1: The upland regions



Accuracy and reliability of the results

We have shown 95% confidence intervals against the figures. These show the range of values that may apply to the figures. They mean that we are 95% confident that the true value lies within this range either side of the estimate. They are based on the Standard Errors (SE) multiplied by 1.96 to give the 95% confidence interval (95% CI). The standard errors only give an indication of the sampling error. They do not reflect any other sources of survey errors, such as non-response bias.

Unless specified otherwise in the detailed tables that follow:

1. The rows may not sum to 100% due to rounding; and
2. Percentage of holdings relates to the full survey population of 13,017.

Availability of results

This release contains headline results for each section. A full breakdown of results will be available on 25th July 2012 at:

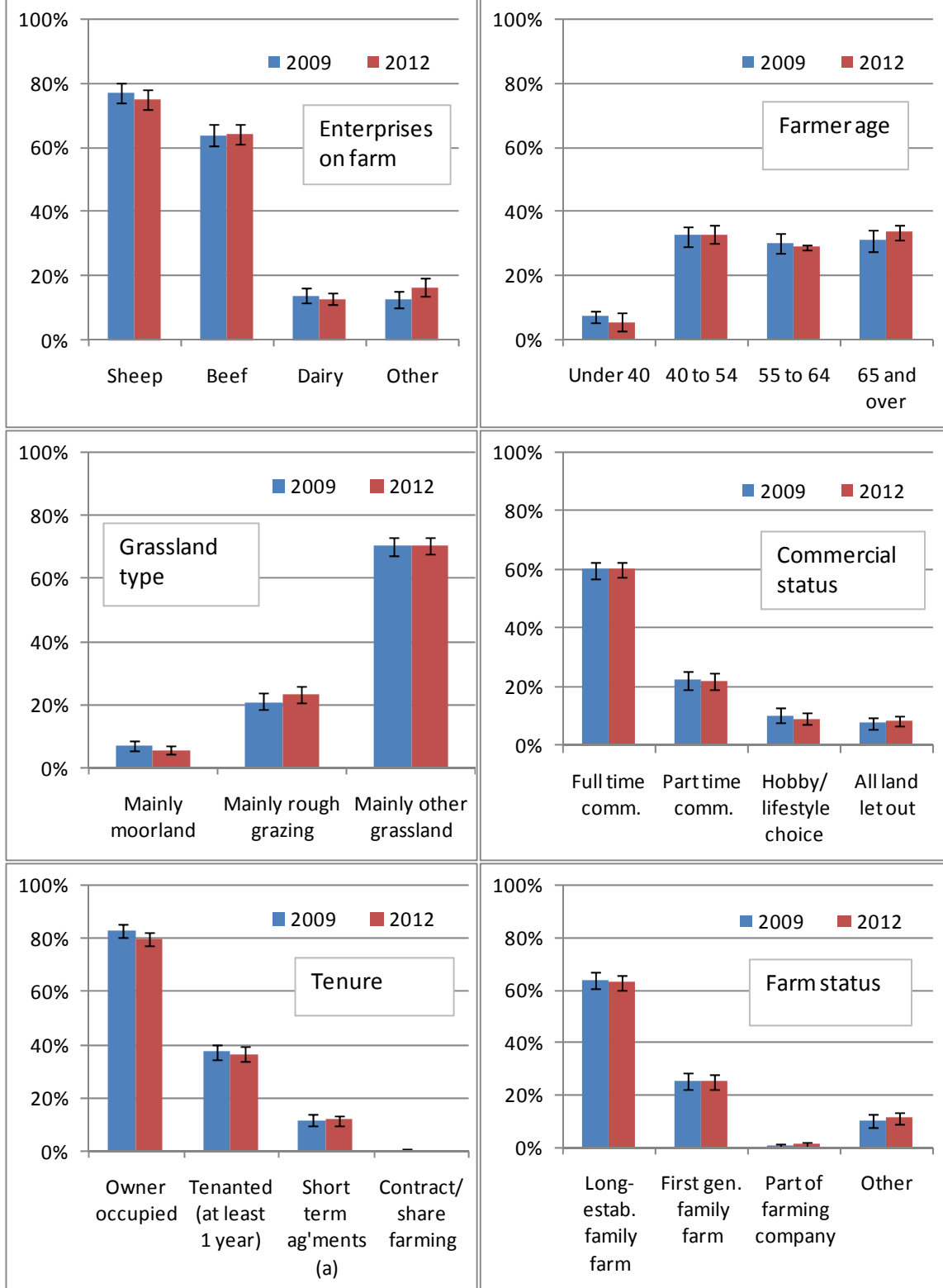
<http://www.defra.gov.uk/statistics/foodfarm/enviro/farmpractice/>

Defra statistical notices can be viewed on the Economics and Statistics pages on the Defra website at <http://www.defra.gov.uk/statistics>. This site also shows details of future publications, with pre-announced dates.

1. Farm characteristics

As well as attitudes and intentions, the survey collected information on some general characteristics of upland farms to allow a better understanding and interpretation of the survey results. The overall incidence of each characteristic was little changed from 2009 (Figure 1.1).

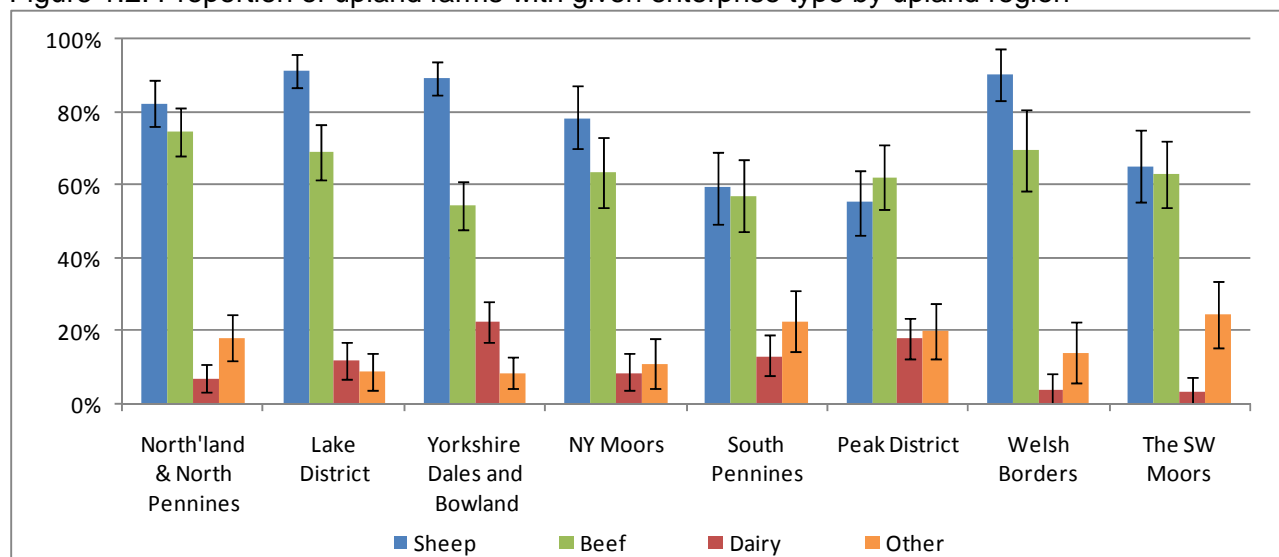
Figure 1.1 Comparison of upland farm characteristics in 2009 and 2012 (percentage of farms)



1.1 Enterprise types

In the uplands, the natural characteristics such as geology, altitude and climate make it more difficult for farmers to compete. Historically, hill farmers have predominantly managed these areas through sheep and cattle grazing. Whilst there has been little overall change in the proportion of farms with sheep, beef or dairy enterprises since 2009, there has been a small (but not significant) increase in the proportion of farms with “other” enterprises. Regional patterns are shown in Figure 1.2.

Figure 1.2: Proportion of upland farms with given enterprise type by upland region



Note: Excludes those letting out all land

1.2 Commercial status

The majority of upland farms (60% \pm 3%) included within the survey are full time commercial enterprises⁴, and a further 22% (\pm 3%) are run on a semi (or part-time) commercial basis. The remainder were found to be run either as a hobby or lifestyle choice (9% \pm 2%) or to let out all their land on a short term basis (8% \pm 2%). This self classification concurs extremely well with the standard economic farm size classifications based upon standard labour requirements applied to June Survey returns. Almost all of those farms thought to be at least medium sized (i.e. requiring at least 2 full time equivalent workers) have classed themselves as full-time commercial businesses. Those for which the farm is a hobby or lifestyle choice or the land is let out on short term agreements are most likely to be very small farms requiring less than half a full-time equivalent person.

1.3 Tenure

Land tenure is an important factor that may influence the ease with which farmers can adapt either through changing practices, diversification opportunities or ease of access to environmental schemes.

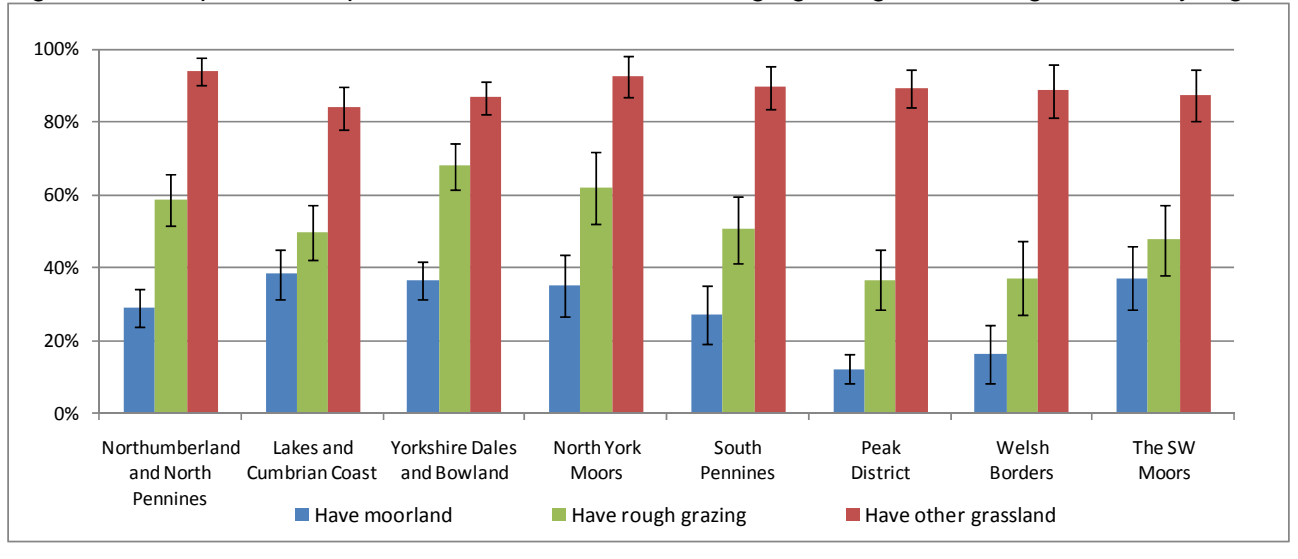
The majority of upland farms (80% \pm 2%) own at least some of their land, 36% (\pm 3%) have a tenancy agreement covering at least one year and 12% (\pm 2%) have short term agreements of less than one year. Around a quarter of upland farms (24% \pm 2%) have a combination of tenure arrangements, mostly a mixture of owner occupation and longer term (more than one year) tenancies. In 2012, additional information was asked about grazing licences. 8% (\pm 2%) of upland farms were found to have land subject to grazing licences.

⁴ Respondents were asked to classify their farm themselves.

1.4 Type of grassland

The type of grassland is an important classification within the survey, providing an indication of the quality of available grazing. Overall, 28% ($\pm 2\%$) of upland farms included some moorland, 51% ($\pm 3\%$) included some rough grazing and 89% ($\pm 2\%$) included some other, better quality, grassland. The variation by region is shown in Figure 1.3. It should be noted that the survey results do not give an indication of the area covered by these categories but simply show the percentage of farms which contain the different grassland types.

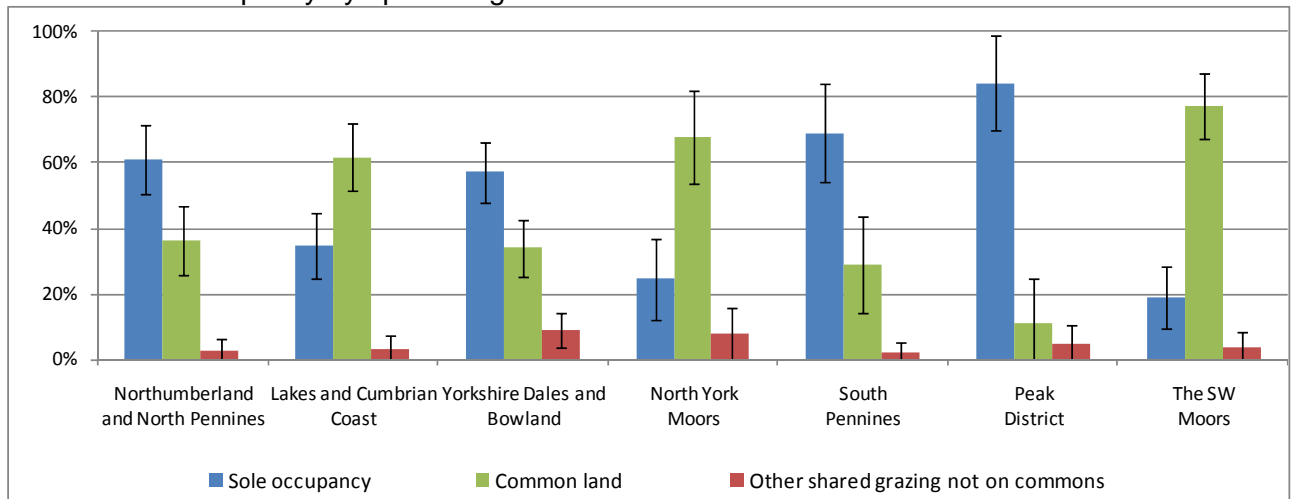
Figure 1.3: Proportion of upland farms with moorland, rough grazing and other grassland by region



1.5 Common land

The survey collected information on the proportion of moorland (by area) that was sole occupancy, common land or other shared grazing (excl commons).

Figure 1.4: Proportion of grazed moorland area that is either sole occupancy, common land or other shared occupancy by upland region



Note: There is insufficient data to provide reliable results for the Welsh Borders

Overall, almost half (47% $\pm 5\%$) of farmed moorland was recorded to be common land and a similar proportion to be of sole occupancy (49% $\pm 5\%$). The remainder (4% $\pm 2\%$) was shared grazing but not on commons.

For those with common land, 78% ($\pm 6\%$) were part of an active commoner association (or equivalent body).

2. Economics of the farm business

Income on LFA grazing livestock farms (predominantly beef and sheep) has been consistently below the average for all types of farm. In 2010/11 the average Farm Business Income (FBI) on LFA grazing livestock farms was £21,300⁵. However, without income from the Single Payment Scheme, agri-environment payments and (to a lesser extent) diversified activities, input costs exceeded revenue for almost three quarters of these farms.

The uplands survey asked farmers about household income, cash flow and the ease of obtaining external finance as well as exploring current and future opportunities for on- and off-farm diversification.

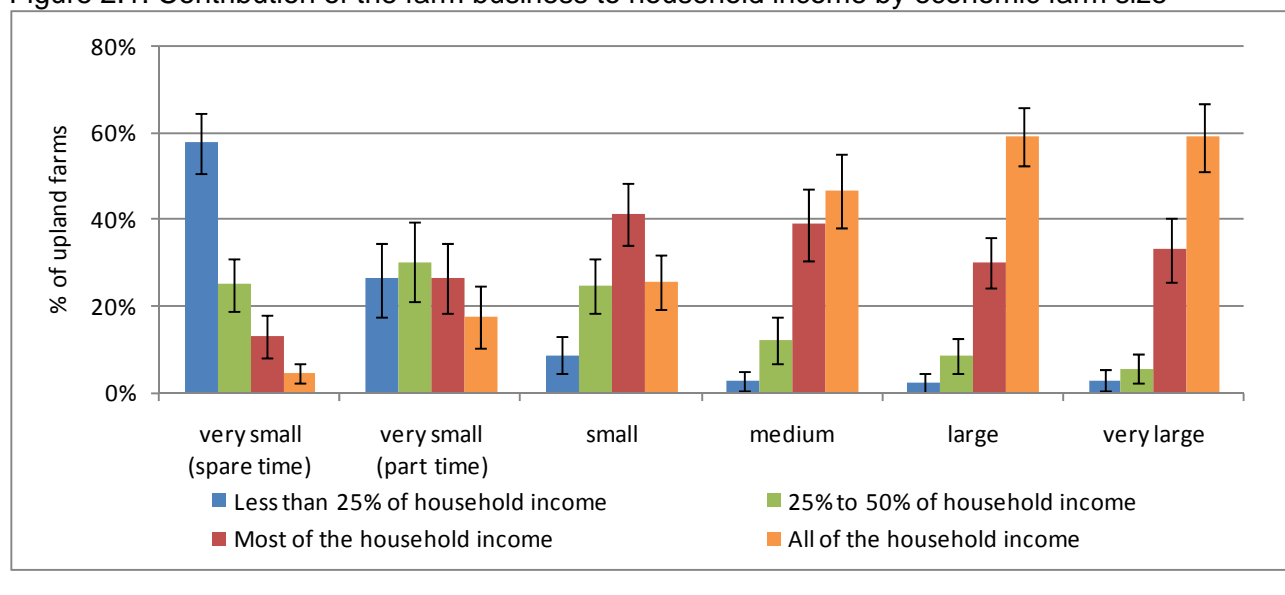
2.1 Household income

Table 2.1: The farm business provides:

	% of farms		95% CI	
	2009	2012	2009	2012
All household income	26	26	± 2	± 2
Most household income	26	26	± 3	± 3
Between a quarter and half	19	19	± 3	± 3
Less than quarter	30	29	± 3	± 3

In 2012, the farm business accounted for less than half of household income for 49% ($\pm 3\%$) of upland farms (unchanged from 2009). The farm's contribution to household income increases with farm size (Figure 2.1). However, the smallest farms are less likely to be commercial ventures⁶.

Figure 2.1: Contribution of the farm business to household income by economic farm size



⁵ Data from the Farm Business Survey.

⁶ The survey found that 24% of those with "spare-time" farms and 6% of those with "part-time" farms classified their farm as a hobby/lifestyle choice. See section 3.2.

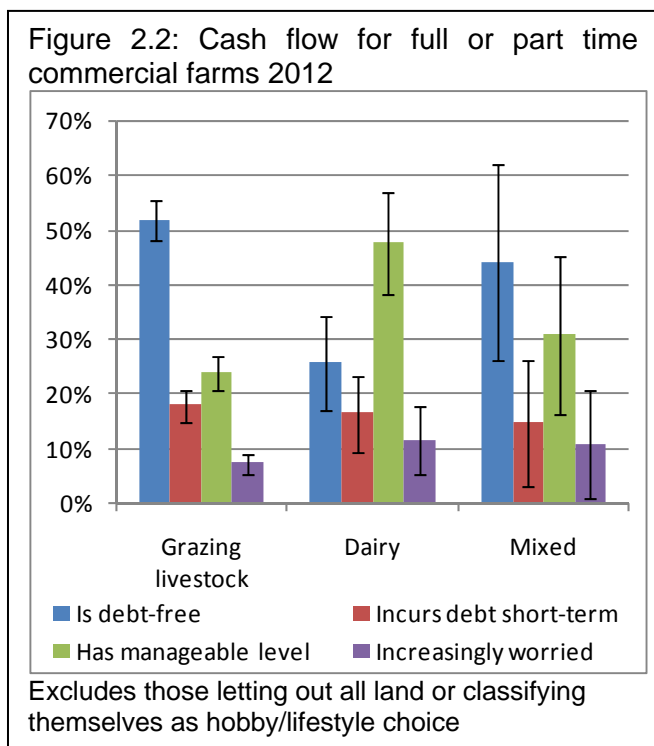
Farm type is also an important factor, the farm business accounted for less than half of household income for 9% of upland dairy farms compared to around half of grazing livestock and mixed farms.

2.2 Cash flow and external finance

The response to this question needs careful interpretation as farmers were asked to agree with only one of the statements presented. We cannot, therefore, infer that all those that did not indicate that they had a manageable level of debt actually have an unmanageable level of debt.

Table 2.2: Cash flow is an issue for small businesses, my farm:

	% of farms		95% CI	
	2009	2012	2009	2012
Is debt free	54	55	± 3	± 3
Incurs debt on short term basis only	15	14	± 2	± 2
Has a manageable level of debt	24	24	± 3	± 3
Increasingly worried about the costs of debt	8	7	± 2	± 2



There has been little overall change in the response to this question since 2009. Approximately half of commercial farms (either full or part time) in the uplands incur debt, compared to around 15% of those classifying their farm as a hobby/lifestyle choice. There are significant differences between farm types for commercial farms, with dairy farms much more likely to have some form of debt than grazing livestock farms (Figure 2.2).

There has been a reduction in the ease of obtaining finance since 2009 (Table 2.3). Of those that borrow, 18% ($\pm 3\%$) indicated that it is becoming much more difficult to borrow compared to 11% ($\pm 3\%$) in 2009. There was little difference in response between farm types or tenancy factors, but smaller farms (in both economic and physical terms) were more likely to respond "much more difficult" than larger farms.

Table 2.3: Obtaining external finance from banks etc to help run the business:

	% of farms		95% CI	
	2009	2012	2009	2012
Is always straightforward (a)	57	50	± 4	± 4
Is becoming a bit more difficult (a)	31	32	± 4	± 4
Is becoming much more difficult (a)	11	18	± 3	± 3
The farm does not borrow	52	52	± 3	± 3

(a) For those that borrow

2.3 Diversification

Diversified activities provide another source of income for many farms. For England as a whole, Farm Business Survey data for 2010/11⁷ show that 52% of farms had a diversified activity and that these activities generated, on average, 12% of the total income of farm businesses.

Results from this survey suggest that in 2012, 56% ($\pm 3\%$) of upland farms have a diversified activity or other income contributing to household income. This is unchanged from 2009. Almost half (45% $\pm 3\%$) of upland farms have some form of off-farm diversification or other income (eg second job or contract work). This rises to 77% ($\pm 7\%$) for those classifying themselves as part time commercial (Table 2.4). Only 27% ($\pm 3\%$) of upland farms have an on-farm diversified enterprise such as a farm shop or Bed & Breakfast.

Table 2.4: Percentage of upland farmers with diversified activities or other income by commercial status

	Diversified activity or other income		Of which:			
			on-farm diversification		off-farm diversification or other income	
	2009	2012	2009	2012	2009	2012
Full time commercial	51 (± 4)	48 (± 4)	27 (± 4)	26 (± 3)	40 (± 4)	36 (± 4)
Part time commercial	73 (± 7)	82 (± 6)	25 (± 7)	26 (± 7)	72 (± 7)	77 (± 7)
Hobby/lifestyle choice	43 (± 10)	55 (± 13)	14 (± 14)	30 (± 12)	34 (± 12)	44 (± 13)
All upland farms	56 (± 3)	56 (± 3)	25 (± 3)	27 (± 3)	48 (± 3)	45 (± 3)

2.3.1 On-farm diversification

Table 2.5: Currently on-farm diversification, away from core farming activities (e.g. farm shop, B&B):

	% of farms		95% CI	
	2009	2012	2009	2012
Contributes significantly to income	8	10	± 2	± 2
Contributes moderately to income	11	12	± 2	± 2
Is not financially important	6	6	± 2	± 1
The farm does not have on-farm diversification	75	73	± 3	± 3

Only 27% ($\pm 3\%$) of upland farms have an on-farm diversified enterprise, and for a further 6% ($\pm 2\%$) the enterprise is not financially important. Those farms classed as “Mainly moorland” were less likely to have an on-farm diversified activity than those classed as “Mainly rough grazing” or “Mainly other grassland”.

Overall, 26% ($\pm 2\%$) of upland farms are either thinking about or developing a new on-farm diversified activity (Table 2.6). The results can also be broken down to compare those with and without a current diversified activity.

⁷ “<http://www.defra.gov.uk/statistics/foodfarm/farmmanage/fbs/publications/diversification/>”. The results relate to farm of at least 0.5 Standard Labour Requirement, a size considered sufficient to occupy a farmer half-time and thus are not directly comparable with those collected as part of the Upland Farm Practices Survey due to the different thresholds and different definitions of diversification.

Table 2.6: In terms of on-farm diversification:

	% of farms		95% CI	
	2009	2012	2009	2012
I am developing a new activity	9	10	± 2	± 2
I am thinking about a new activity	16	16	± 3	± 3
I have never thought about on-farm diversification	21	22	± 3	± 3
The farm is not suited for on-farm diversification	36	34	± 3	± 3
There is no scope for further on-farm diversification	18	18	± 3	± 3

Of those with no current on-farm diversified activity 3% (±1%) are actively developing a new activity and 14% (±3%) are thinking about a new activity. However, 28% (±4%) had not thought about on-farm diversification and for 55% (±4%) there is either no scope or the farm is not suitable.

Of those with an on-farm diversified activity, 30% (±6%) are actively developing a new activity, 22% (±5%) are thinking about a new activity and 43% (±7%) suggest that there is either no scope or the farm is not suited for further on-farm diversification.

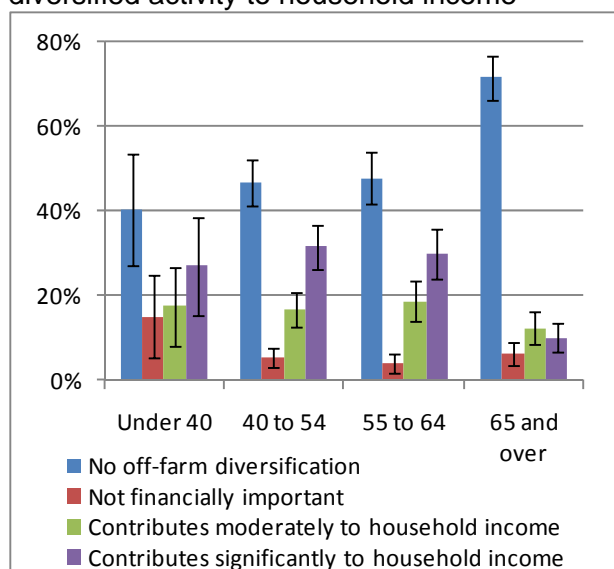
For both groups there is little change from 2009.

2.3.2 Off-farm diversification or other income

Table 2.7: In terms of off-farm diversification:

	% of farms		95% CI	
	2009	2012	2009	2012
Contributes significantly to household income	25	24	± 3	± 3
Contributes moderately to household income	15	16	± 2	± 2
Is not financially important	8	6	± 2	± 1
The farm does not have off-farm diversification	52	55	± 3	± 3

Figure 2.3: Contribution of off-farm income of diversified activity to household income



45% (±3%) of upland farms have an off-farm diversified activity or other income such as a second job or contract work (Table 2.7), this is little changed from 2009. Part time commercial farms were much more likely to have an off-farm diversified activity or other income than full time commercial farms or those for whom the farm is a hobby/lifestyle choice. Those aged 65 or over were much less likely than younger farmers to have an off-farm diversified activity or other income (Figure 2.3).

Of those with no current off-farm diversification or income, 0.5% (±0.5%) are actively developing a new activity and 5% (±2%) are thinking about a new activity. However, for 51% (±4%) there is no scope or there are no plans and 44% (±4%) have never thought about it.

Of those with a current off-farm diversification activity or income, 15% (±4%) are actively developing a new activity and 16% (±4%) are thinking about a new activity. However, for 61% (±4%) there is no scope or there are no plans for further off-farm diversification.

2.3.3 Future opportunities

Table 2.8: There are fewer opportunities for diversification for upland farms than for lowland farms:

	% of farms		95% CI	
	2009	2012	2009	2012
Strongly agree	31	25	± 3	± 3
Agree	54	59	± 4	± 3
Disagree	14	15	± 3	± 2
Strongly disagree	1	1	± 1	± 1

84% (±3%) of upland farmers either agree or strongly agree that there are fewer opportunities for wider income generation for upland farms than for lowland farms (Table 2.8). The reasons for this were not explored, although factors may include greater distances from population centres and land suitability.

There was little difference between regions, but those with

land in the Disadvantaged Areas (DA) only (79%) were less likely to agree than those with land only in the SDA (89%).

Figure 2.4: There are fewer opportunities for diversification for upland farms than for lowland farms by region (proportion of upland farmers)

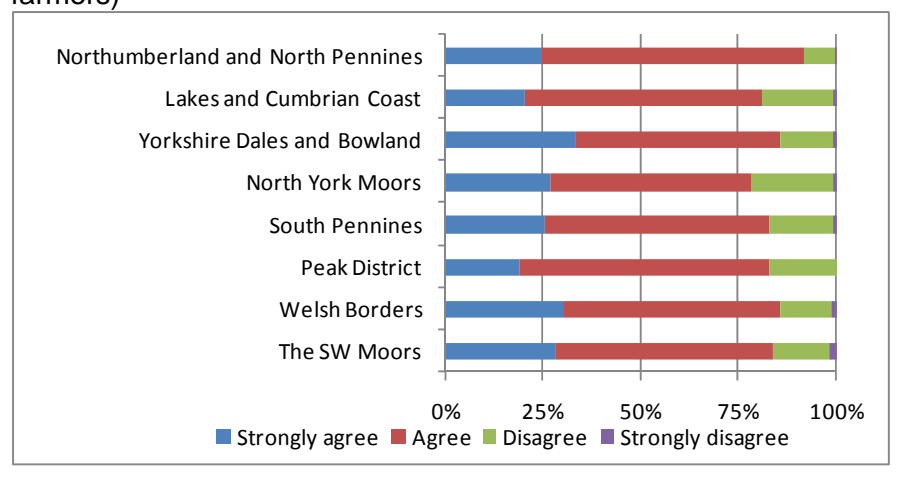


Table 2.9: I think that opportunities for wider income generation in the uplands will:

	% of farms		95% CI	
	2009	2012	2009	2012
Increase	17	16	± 3	± 2
Stay about the same	63	68	± 3	± 3
Decrease	19	16	± 3	± 2

The majority of upland farmers (68% ±3%) still feel that there will be little change in the opportunities for wider income generation from diversification in the uplands (Table 2.9). The remainder were evenly split between thinking that opportunities would increase or decrease (both 16% ±2%).

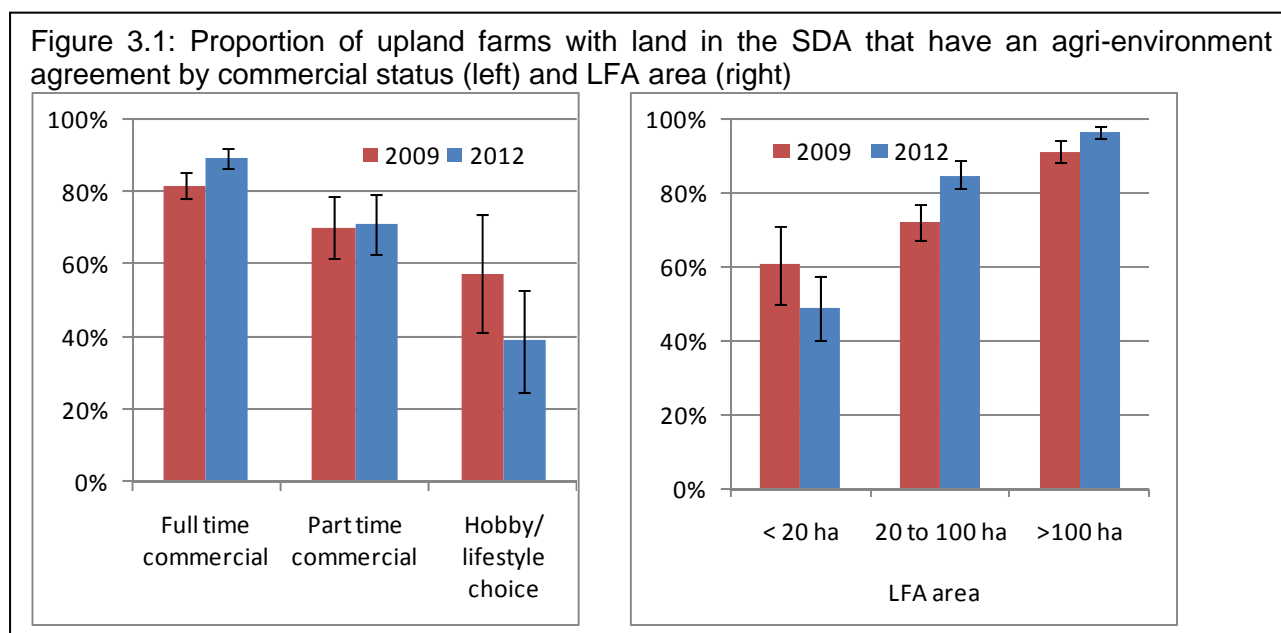
3. Agri-environment schemes

Agri-environment schemes provide funding for farmers and land managers to farm their land in a way which is sensitive to the environment. Until 2005, these were targeted at specific areas of the country considered to be of high conservation value largely through Environmentally Sensitive Areas (ESAs) or the Countryside Stewardship Scheme (CSS)⁸. ESA and CSS agreements last for 10 years and existing agreements will continue until they expire. The last ESA and CSS agreements will expire in 2014.

Environmental Stewardship (ES) was introduced in March 2005, providing funding to farmers and land managers throughout England who deliver effective environmental management on their land. ES is a two tiered scheme providing an Entry Level (ELS) with 5 year agreements and a more demanding Higher Level (HLS) with 10 year agreements. ES replaced and built on previous agri-environment schemes including ESA and CSS. In 2010, Defra fundamentally changed the way in which upland farmers in England were supported, replacing the area based Hill Farm Allowance (HFA) with a new strand of entry level Environmental Stewardship aimed specifically at the uplands, known as 'Uplands ELS'. Integrating uplands support within ES allows payments to be linked to the delivery of public benefits by encouraging upland farmers and land managers to deliver simple yet effective environmental management. Uplands ELS is open to all farmers and land managers with land in England's 'Severely Disadvantaged Areas' (SDA). Due to double funding rules those farmers with land in so-called Classic Schemes (ESA and CSS) are not eligible to join ES (including Uplands ELS) until these agreements expire⁹.

3.1 Scheme uptake

Overall, the results suggest that the proportion of all upland farms with an agri-environment agreement (Table 3.1) in 2012 (73%) was similar to 2009 (71%). Although there has been little overall change, there has been a reduction in the proportion of farms with Classic Scheme (ESA or CSS) agreements (to be expected as these expire) and an increase in uptake of ES agreements, particularly Entry Level agreements following the introduction of Uplands ELS. For those farms with land in the SDA, the proportion with an agri-environment agreement has increased from 75% in 2009 to 80% in 2012. Increased uptake has taken place particularly on full-time commercial farms



⁸ Further information on ESAs, CSS and WES can be found on the Natural England website at <http://www.naturalengland.org.uk/ourwork/farming/funding/closedchemes/default.aspx>

⁹ Transitional payments have therefore been put in place to ensure that these farmers, previously in receipt of HFA, do not miss out on specific uplands funding.

Table 3.1: The farm currently has agreements under the following schemes:

Percentage of all upland farms	ELS / OELS	Uplands ELS (a)	HLS	ESA	CSS	Other (b)	None
Northumberland and North Pennines	33 (± 6)	48 (± 7)	25 (± 5)	7 (± 4)	12 (± 4)	3 (± 2)	22 (± 6)
Lakes and Cumbrian Coast	28 (± 7)	36 (± 8)	23 (± 6)	30 (± 6)	5 (± 3)	2 (± 2)	23 (± 5)
Yorkshire Dales and Bowland	41 (± 7)	63 (± 7)	19 (± 5)	10 (± 4)	9 (± 3)	3 (± 2)	18 (± 5)
North York Moors	39 (± 9)	62 (± 11)	21 (± 8)	#	12 (± 7)	15 (± 7)	24 (± 9)
South Pennines	26 (± 8)	51 (± 12)	14 (± 7)	#	6 (± 4)	0	37 (± 10)
Peak District	30 (± 8)	26 (± 9)	14 (± 6)	14 (± 26)	6 (± 4)	5 (± 4)	43 (± 8)
Welsh Borders	18 (± 7)	33 (± 11)	12 (± 6)	37 (± 11)	4 (± 5)	4 (± 5)	16 (± 9)
South West Moors	25 (± 8)	44 (± 10)	17 (± 7)	34 (± 10)	3 (± 3)	3 (± 4)	17 (± 8)
All 2012	30 (± 3)	44 (± 3)	18 (± 2)	16 (± 2)	7 (± 1)	3 (± 1)	27 (± 3)
All 2009	39 (± 3)	-	9 (± 2)	23 (± 3)	17 (± 2)	4 (± 1)	29 (± 3)

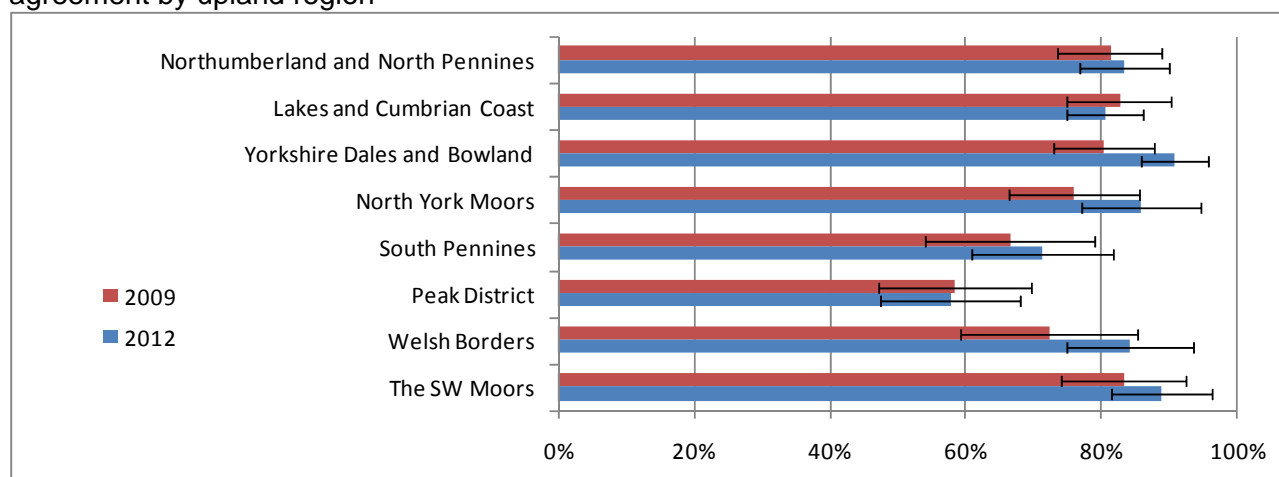
Insufficient data points

(a) Farms with SDA land only

(b) Includes Wildlife Enhancement Scheme and National Park schemes

and those with more than 20ha within the LFA (Figure 3.1). Whilst there has been increased uptake in some regions (e.g. Yorkshire Dales and Bowland, Welsh Borders), none are statistically significant (Figure 3.2). For those farms with land in the SDA, 38% had an ELS agreement in 2009 whilst in 2012, 57%¹⁰ had either an ELS or an Uplands ELS agreement.

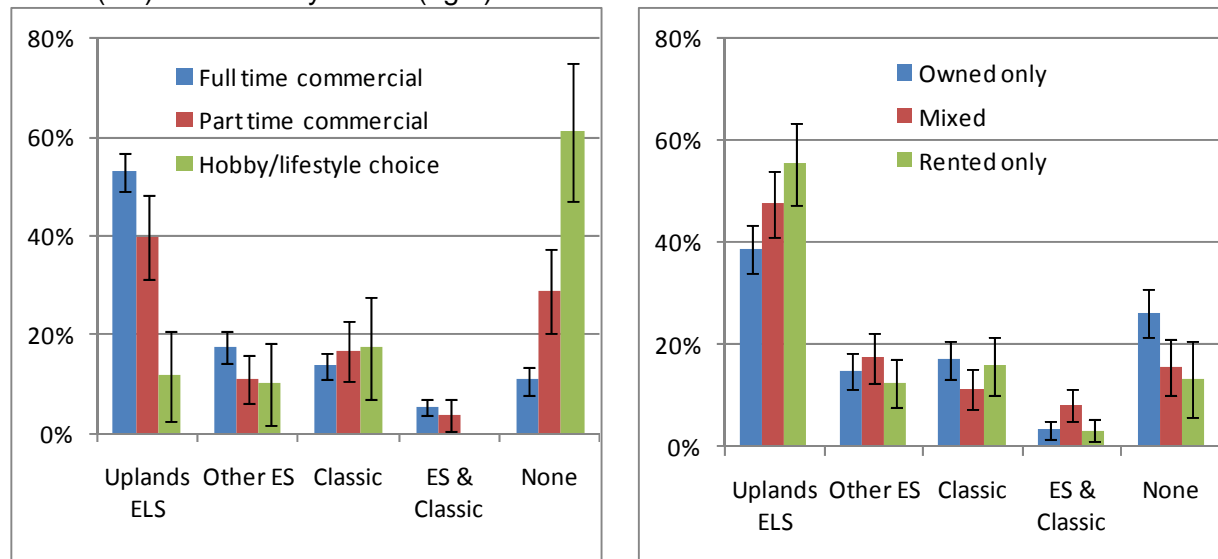
Figure 3.2: Proportion of upland farms with land in the SDA that have an agri-environment agreement by upland region



¹⁰ Note that a number of farms indicated that they had both an ELS and an Uplands ELS agreement.

Of those farms with land in the SDA, 44% indicated that they had an Uplands ELS agreement. A further 15% had an existing ESA or CSS agreement and were therefore not yet eligible for Uplands ELS. There were also 20% of farms that had an ES agreement (but not Uplands ELS). However, 20% of farms with land in the SDA recorded that they had no agri-environment agreement. These were much more likely to be hobby/lifestyle choice farms (Figure 3.3) and to have small areas of LFA land.

Figure 3.3: Uptake of agri-environment schemes for farms with land in the SDA by commercial status (left) and tenancy status (right)



Note: Uptake of other ES and Classic (ESA/CSS) schemes excludes any farms that may also have an Uplands ELS agreement.

Reasons were sought for those eligible¹¹ farms not currently in Uplands ELS. The most common responses were “quantity of paperwork involved” and “not financially worthwhile” (Table 3.2). However, 20% considered themselves “not eligible”. There do not appear to be any immediate defining characteristics of this group. However, sample numbers are small making comparisons between sub groups less precise.

Table 3.2: If you do not have a current Uplands ELS agreement what are the main reasons for this? (Percentage of farms)

Not financially worthwhile	Tenure issues	Concern about time it will take	Conflict with farm plans	Quantity of paperwork involved	Lack of advice and support	Not eligible	Other
27	7	15	15	30	18	20	12
(± 7)	(± 4)	(± 6)	(± 5)	(± 7)	(± 6)	(± 7)	(± 5)

Responses shown for those farms with land in the SDA and without a current ESA or CS agreement

3.2 Environmental and farming changes

Those with an Environmental Stewardship agreement were asked about changes that they had noticed to specific farming and environmental factors (Table 3.3). For almost all of the factors presented, the majority of responses were “no change”. However, where a change was indicated these tended to be favourable, particularly for improvements to wildlife habitats and soil protection.

¹¹ Those with land in the SDA and without an ESA or CSS agreement.

Table 3.3: If you have an Environmental Stewardship agreement what farming changes have you noticed? (Percentage of farms)

	Declining	No change	Improving	Not applicable
Livestock condition	4 (± 1)	74 (± 4)	13 (± 3)	9 (± 2)
Stock handling	3 (± 1)	76 (± 4)	9 (± 2)	11 (± 3)
Lambing percentage	5 (± 2)	67 (± 4)	19 (± 2)	19 (± 3)
Production costs	18 (± 3)	60 (± 4)	8 (± 2)	13 (± 3)

Table 3.4: If you have an Environmental Stewardship agreement what environmental changes have you noticed? (Percentage of farms)

	Declining	No change	Improving	Not applicable
Wildlife habitat	3 (± 1)	47 (± 4)	48 (± 4)	3 (± 1)
Landscape features	3 (± 1)	65 (± 4)	27 (± 3)	6 (± 2)
Old farm buildings	7 (± 2)	62 (± 4)	12 (± 3)	19 (± 3)
Carbon storage (e.g. peat)	0 (± 0)	45 (± 4)	5 (± 2)	50 (± 4)
Soil protection	1 (± 1)	63 (± 4)	30 (± 4)	6 (± 2)

3.3 Contribution of agri-environment scheme payments

For those upland farmers with environmental scheme agreements, there has been an increase in the proportion recording that payments make a significant contribution to the farm business (Table 3.5), particularly on full time commercial farms and those classified as “mainly moorland”. As in 2009, the contribution increases as the grassland quality decreases and the farm size and commercial status increase. For the majority of upland farmers (63% ±3%) in schemes, the importance of the payments has not changed in the last three years (Table 3.6). When asked about future importance, around half of upland farmers considered that environmental payments would be an important top up for production returns and a further 33% considered them to be as or more important than production returns (Table 3.7). For 16% of upland farmers, environmental payments were considered to be irrelevant. These are more likely to be those without a current agri-environment scheme agreement, those with less than 20ha of land in the LFA and older farmers.

Table 3.5: Within the farm business, environmental schemes:

	% of farms		95% CI	
	2009	2012	2009	2012
Contribute significantly	31	39	± 4	± 3
Contribute moderately	54	51	± 4	± 3
Not financially important	15	10	± 3	± 2

For those farms in an agri-environment scheme only.

Table 3.6: In the last three years, for my business, environmental payments have:

	% of farms		95% CI	
	2009	2012	2009	2012
Increased in importance	33	31	± 4	± 3
Stayed about the same	58	63	± 4	± 3
Decreased in importance	8	6	± 2	± 2

For those farms in an agri-environment scheme only.

Table 3.7: In future, for my business, environmental payments will become:

	% of farms		95% CI	
	2009	2012	2009	2012
More important than production returns	12	10	± 2	± 2
As important as production returns	27	23	± 3	± 3
An important top up for production returns	47	51	± 4	± 3
Irrelevant for my farm business	14	16	± 3	± 3

All upland farms

4. Grazing and grassland management

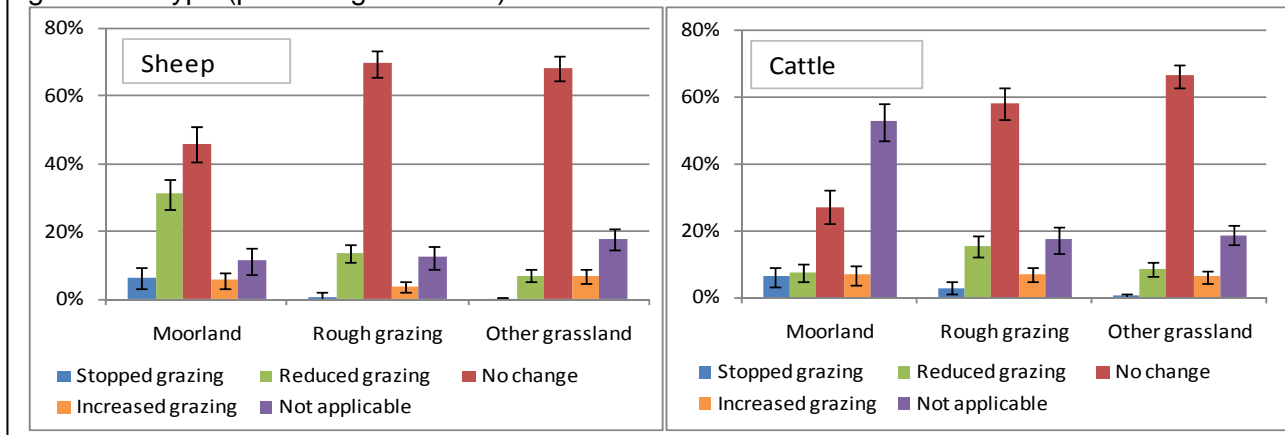
Grazing land within the Less Favoured Areas (LFA) consists of moorland, rough grazing and other better quality grasslands. Within these broad definitions there are a range of habitats, including 8 UK BAP¹² priority habitats, mainly associated with moorland and rough grazing. The landscape of these areas has, to some extent, been determined by man's use of the land, mainly through grazing livestock. The habitats and species that exist may require some grazing of the land for them to be maintained. Assessing changes made to grazing regimes and changes which are proposed gives some indication as to whether there are likely to be significant impacts in upland areas.

The 2012 survey collected data separately for changes to sheep and cattle grazing whereas the 2009 survey collected data on overall grazing levels. Direct comparisons between the two surveys are therefore not possible.

4.1 Changes to grazing levels

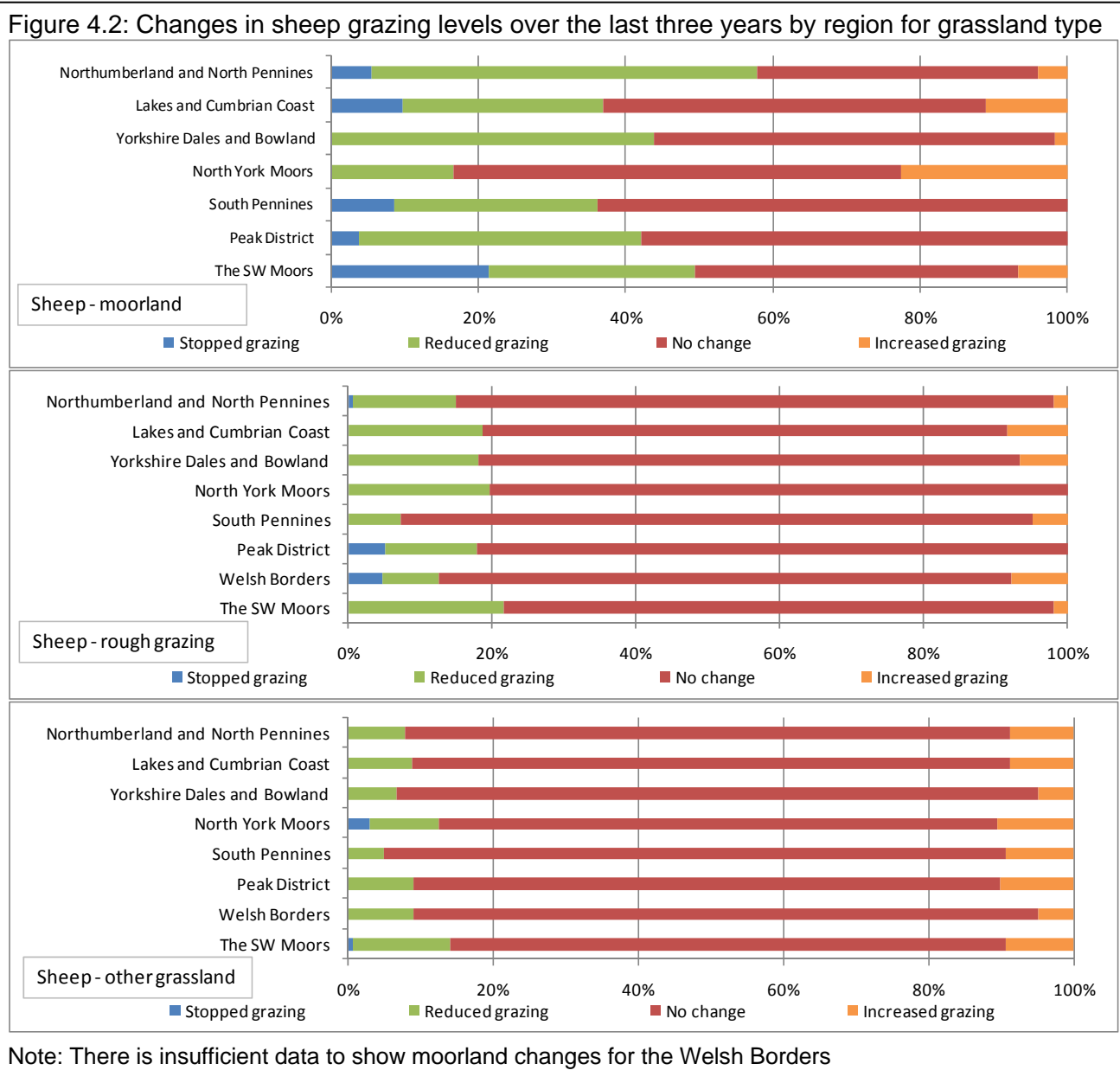
Farmers were asked about changes to their grazing practices over the last three years (Figure 4.1)

Figure 4.1: Grazing changes made over the last three years for sheep (left) and cattle (right) by grassland type (percentage of farms)



¹² The UK Biodiversity Action Plan (UKBAP) is the Government's response to the Convention on Biological Diversity signed in 1992. For further information see <http://www.ukbap.org.uk/>.

for both sheep and cattle. There is clear evidence of a reduction in grazing levels on moorland and some evidence for a net reduction on rough grazing although for the majority of responders have made no change. Regionally, the “Northumberland and the North Pennines” and the “South West Moors” had the greatest proportions of farmers with reduced sheep grazing on moorland (Figure 4.2). In the “North York Moors” a similar proportion of farmers suggested increases in sheep grazing levels on moorland as did decreasing. For cattle most farmers have made no change, except for moorland where more than 50% have indicated cattle grazing is not applicable; this is not surprising as cattle are less likely to be grazed on moorland.



Reasons were sought for these changes. The most common reasons for changes already made to grazing on moorland were “Environmental Schemes – HLS” (46% ±8% for sheep and 43% ±14% for cattle) followed by “Environmental Schemes – Uplands ELS” (22% ±6% for sheep and 24% ±12% for cattle) and the “Economics of hill stock” (21% ± 7% for sheep and 18% ±10% for cattle) (Figure 4.3). Although not directly comparable, the 2009 survey found that “Environmental Schemes was the most common reason for previous changes to moorland grazing at that time.

For rough grazing and other grassland, farmers were asked to consider the reasons for any changes to grazing, i.e. those changes that had already occurred and/or were intended. Overall, the main reasons for changes were less clear than for moorland, but again “Environmental

Stewardship – HLS” was the most common reason (24% ±5% for sheep and 20% ±5% for cattle), followed by “Environmental Stewardship – Uplands ELS” (21% ±5% for sheep and 18% ±4% for cattle) and “Economics of hill stock” (18% ±5% for sheep and 17% ±4% for cattle).

Figure 4.3: Reasons for changes to grazing levels on moorland in the last 3 years

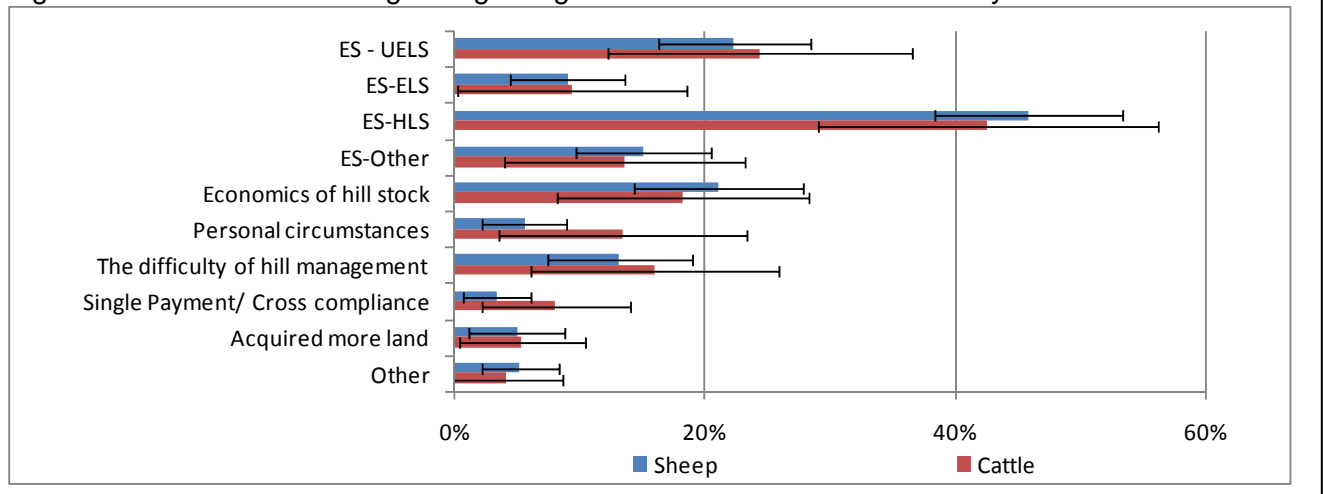
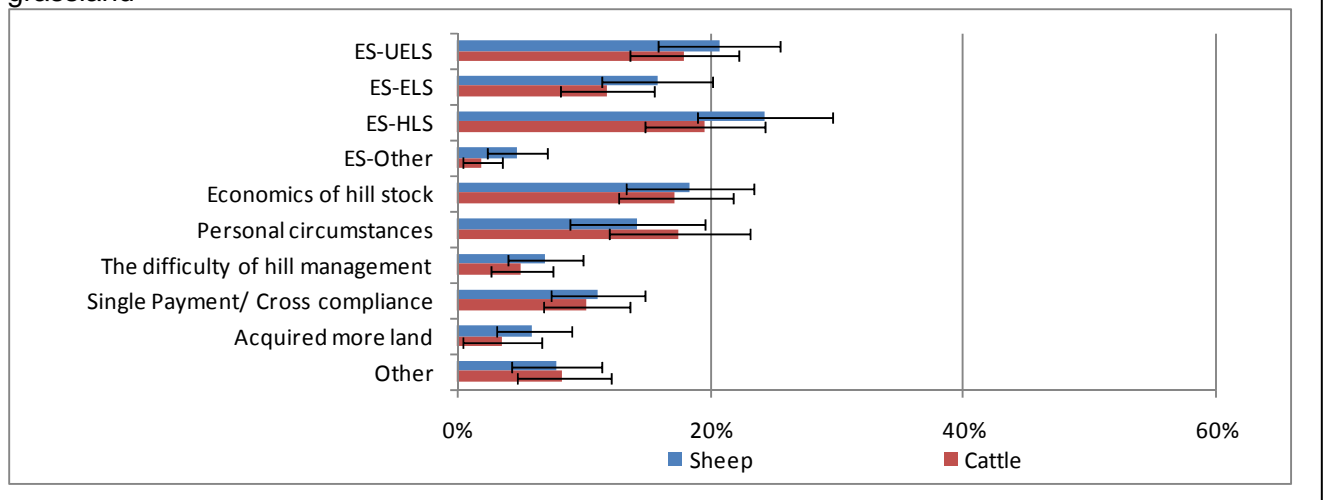
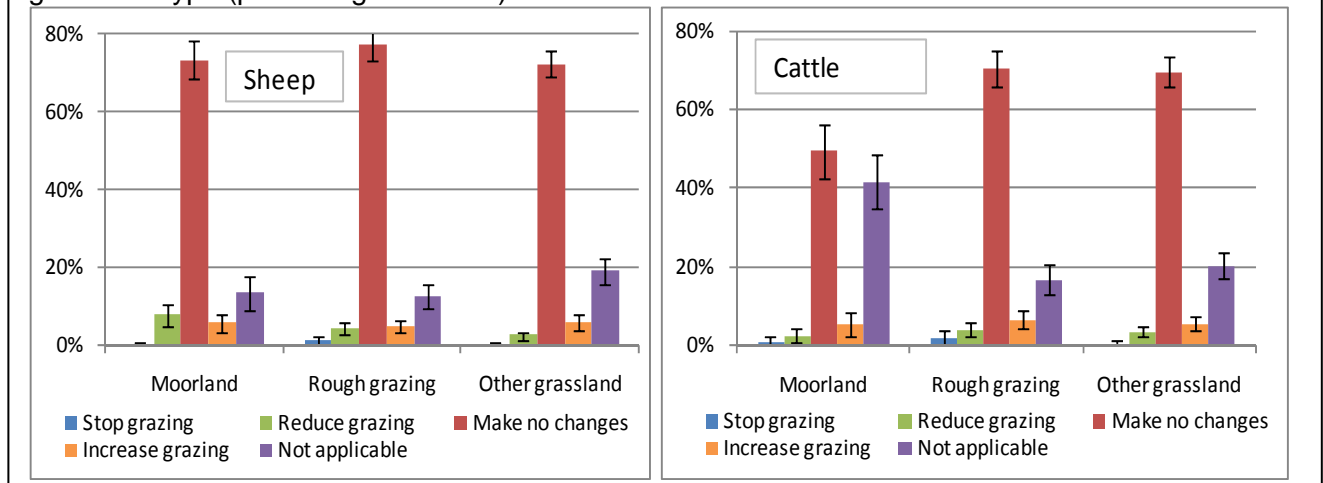


Figure 4.4: Reasons for past and intended changes to grazing levels on rough grazing and other grassland



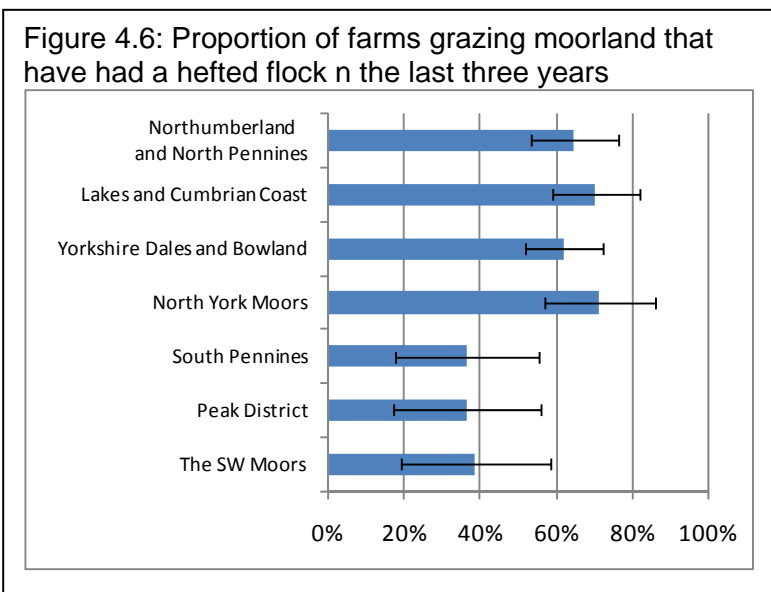
There is little indication of any further widespread changes (Figure 4.5).

Figure 4.5: Intended grazing changes in the next two years for sheep (left) and cattle (right) by grassland type (percentage of farms)



4.2 Hefted flocks

Hefting is a traditional method of managing flocks of sheep on large areas of common land and communal grazing. Once established (a process that can take many years) a hefted flock will graze its own territory without straying, a behaviour passed from ewe to lamb over succeeding generations.



Of those farms grazing sheep on moorland, 58% ($\pm 5\%$) identified that they have had a hefted flock in the last three years. Regionally, a higher percentage of farmers indicated having a hefted flock in the more northerly regions (Figure 4.6).

The majority of those with hefted flocks have made no changes in the last three years (Table 4.1). However, 27% ($\pm 6\%$) had reduced numbers, with more doing so in the more northerly regions. Around 18% ($\pm 5\%$) had noticed more straying and 15% ($\pm 5\%$) had increased their management.

Table 4.1 Changes to hefted flocks in last three years (Percentage of farmers with hefted flocks)

No longer have a hefted flock	Reduced numbers	Made no changes	Increased numbers	Noticed increased straying	Increased the management
0	27	61	9	18	15
	(± 6)	(± 7)	(± 4)	(± 5)	(± 5)

4.3 Management of moorland

The management of moorland determines the composition and abundance of the flora and fauna. There are various land management regimes and therefore in addition to changes in grazing regimes moorland farms were also asked about five particular practices; environmental management agreements, grouse moor management, burning/cutting, or not, and chemical control of bracken.

Table 4.2: Moorland that I graze is:

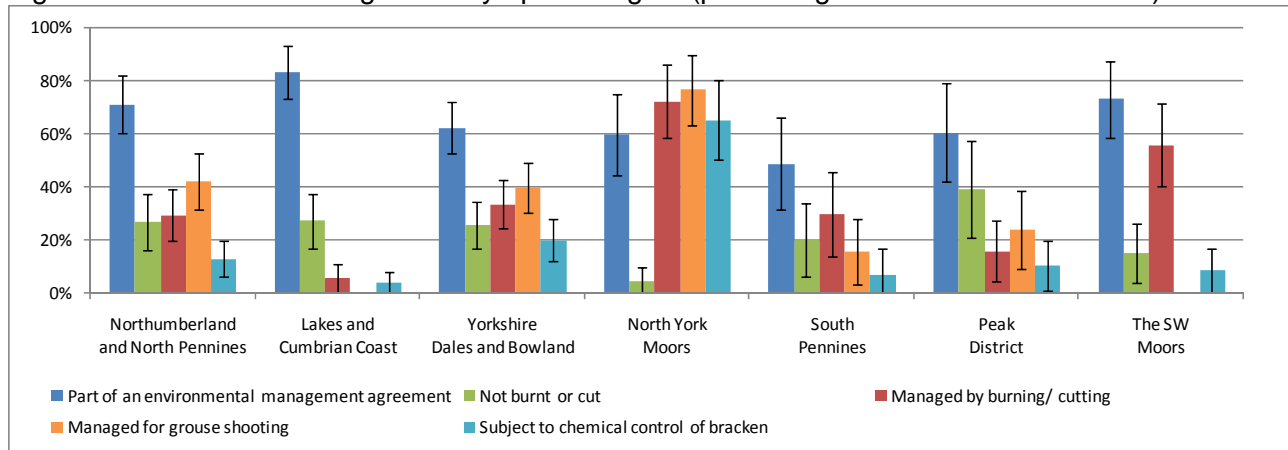
	% of farms		95% CI	
	2009	2012	2009	2012
Part of an environmental management agreement	52	66	± 5	± 5
Managed by burning/cutting	31	31	± 5	± 5
Not burnt or cut	27	24	± 5	± 4
Managed for grouse shooting	23	23	± 4	± 4
Subject to chemical control of bracken (a)	-	15		± 3

(a) Not collected in 2009

There has been an increase in the proportion of upland farmers with grazed moorland within environmental management agreements since 2009 (Table 4.2). Environmental management agreements were common in all regions and in most had increased since the 2009 survey. The

North York Moors had the greatest percentage of farms managing land by burning/cutting, for grouse shooting and subject to chemical control of bracken.

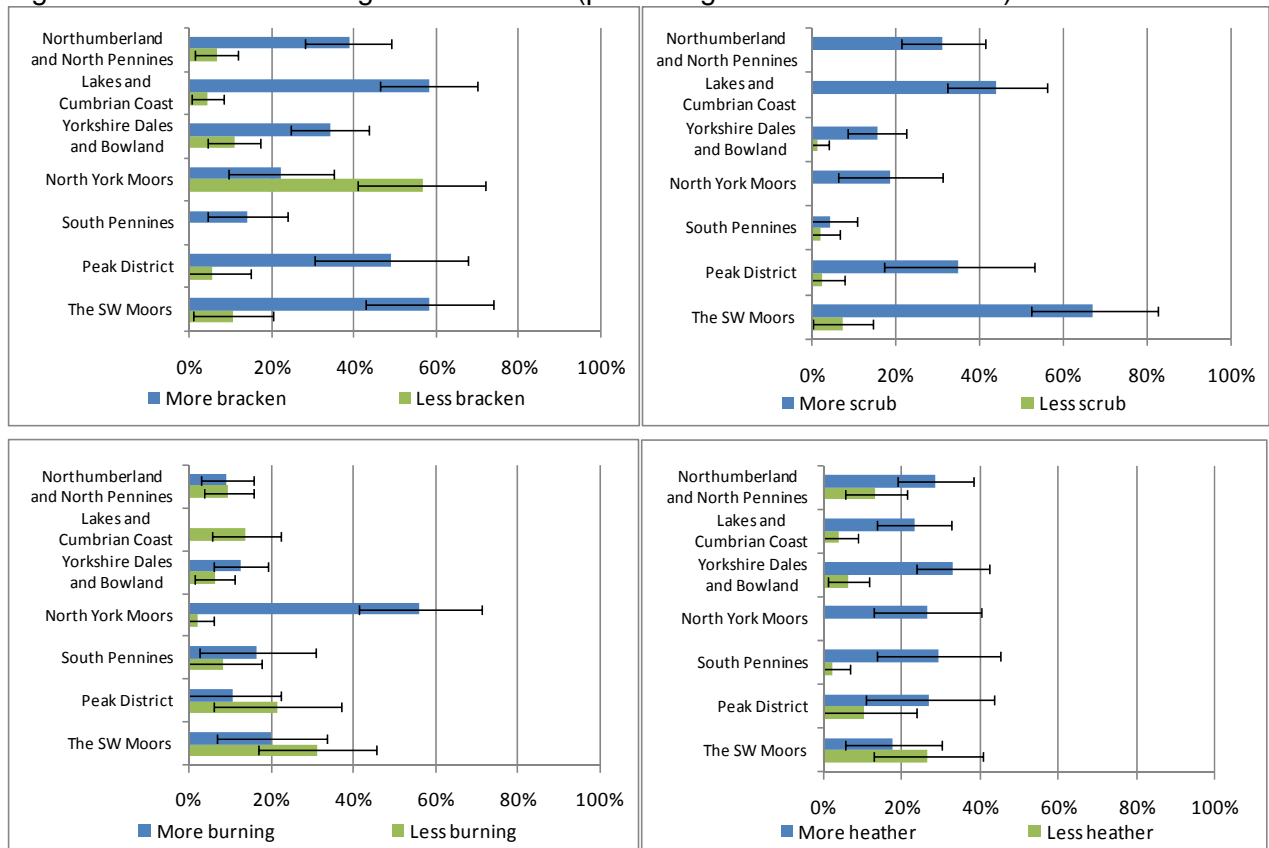
Figure 4.7: Moorland management by upland region (percentage of farms with moorland)



Note: There is insufficient data to show results for the Welsh Borders

For those farmers grazing moorland, information was also asked about any changes they had noticed to moorland in terms of vegetation or burning practices. It should be emphasised that responses to this question relate to perceptions of change, e.g. perceived changes may relate to plant density and not necessarily changes in extent. Overall, there was a perceived increase in the amount of bracken, scrub and heather, with some regional variation (Figure 4.8). In the majority of regions there was a greater perception of increased bracken, scrub and heather, whilst in the North York Moors, there was a greater perception of less bracken (reported by 56% ±16% of moorland farmers) and in the SW Moors less heather (27% ±14% of moorland farmers). With regards to

Figure 4.8: Perceived changes to moorland (percentage of moorland farmers)



Note: There is insufficient data to show results for the Welsh Borders

burning, trends were less clear, but of note is a perception of more burning in the North York Moors (56% \pm 15% of moorland farmers).

Moorland farmers were also asked about drain maintenance in 2012. In 2009, this question was asked of those with rough grazing and other grassland. The majority have made no changes to the level of maintenance.

Table 4.3 In last three years I have: (Percentage of moorland farmers)

Increased drain maintenance	Kept drain maintenance about the same	Decreased drain maintenance	Not maintained my drains	I do not have drains
7 (\pm 3)	60 (\pm 5)	6 (\pm 2)	7 (\pm 3)	19 (\pm 4)

4.3 Management of other grassland

The majority of farmers with other, better quality, grassland use artificial fertilisers and herbicides on this grassland (Tables 4.4 and 4.5). Larger farms and those that are full time commercial farms are more likely to apply either input. For both artificial fertiliser and herbicides, there has been a net reduction in the proportion of farmers applying them.

Table 4.4: In the last three years on my other grassland I have:

	% of farms		95% CI	
	2009	2012	2009	2012
Never used artificial fertilisers	17	21	\pm 3	\pm 3
Stopped using artificial fertilisers	14	11	\pm 3	\pm 2
Reduced artificial fertiliser inputs	40	29	\pm 3	\pm 3
Kept artificial fertiliser inputs about the same	29	38	\pm 3	\pm 3
Increased artificial fertiliser use	0.3	2	\pm 0.3	\pm 1

Table 4.5: In the last three years on my other grassland I have:

	% of farms	95% CI
	2012	2012
Never used herbicides	28	\pm 3
Stopped using herbicides	6	\pm 2
Reduced herbicide use	16	\pm 2
Kept herbicide use about the same	49	\pm 3
Increased herbicide use	2	\pm 1

5. The future

There are many drivers for change in the uplands and it is important to have a better understanding of farmers' attitudes to the future.

5.1 Business continuity

Table 5.1: I expect my business to continue for:

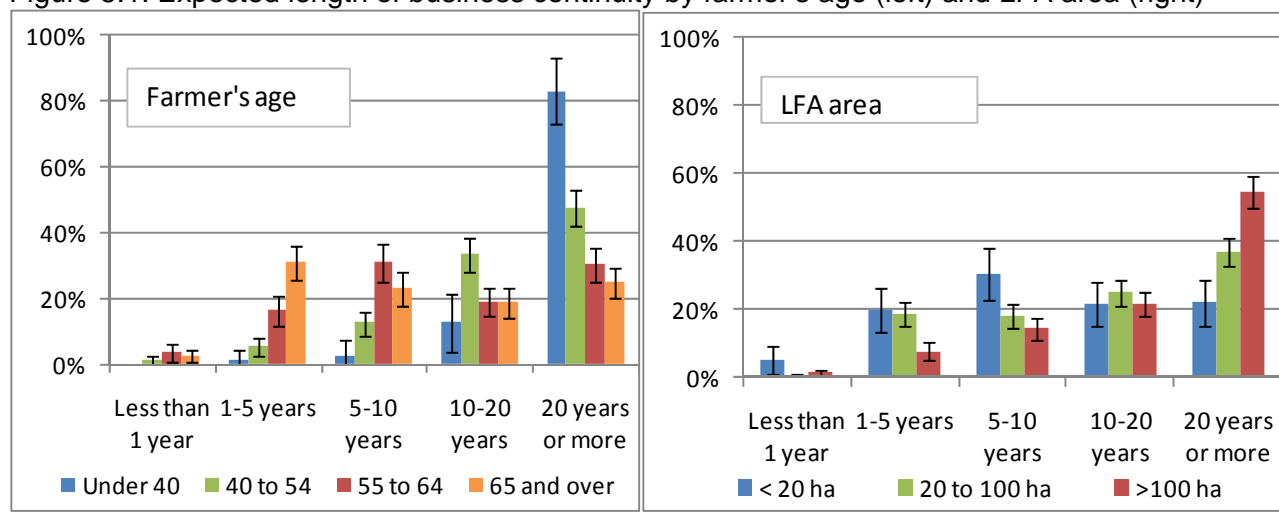
	% of farms		95% CI	
	2009	2012	2009	2012
Less than 1 year	1	2	±1	±1
1 to 5 years	20	17	±3	±2
5 to 10 years	23	21	±3	±3
10 to 20 years	25	23	±3	±3
20 years or more	32	37	±3	±3

Overall, in 2012, 60% of farmers expected to stay in farming for 10 years or more (Table 5.1). However, 19% anticipated that they would remain for less than 5 years. These findings are slightly more optimistic than in 2009.

In 2012, those that aimed to stay in farming for 20 years or more were

more likely to be under 55 years and to be larger and more commercial farms (Figure 5.1). Those seeing no future beyond five years were generally more likely to be 65 years or older and to be smaller, less commercial farms.

Figure 5.1: Expected length of business continuity by farmer's age (left) and LFA area (right)

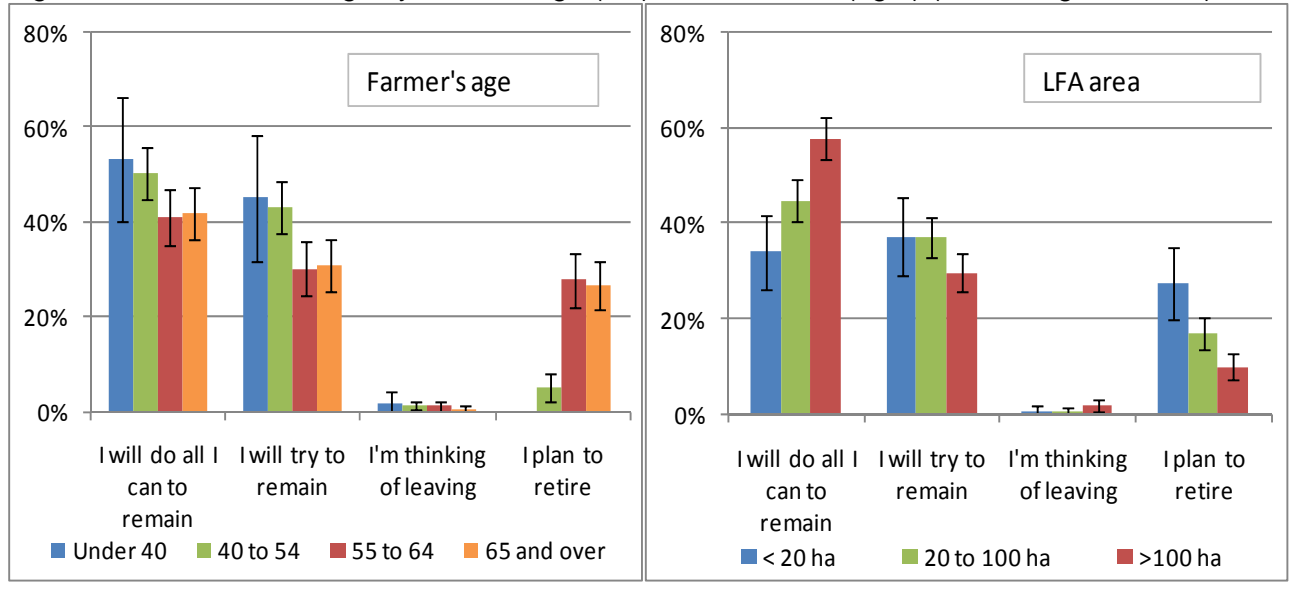


In both surveys (Table 5.2) more than 40% of farmers stated they would do all they could to remain in farming and over 35% would try to remain in farming. Nearly 20% planned to retire. Unsurprisingly, those planning to retire were most likely to be 55 and over, but 40% of those aged 65 and over reported that they would do all that they could to remain in farming (Figure 5.2).

Table 5.2: There will always be challenges but...(percentage of upland farmers)

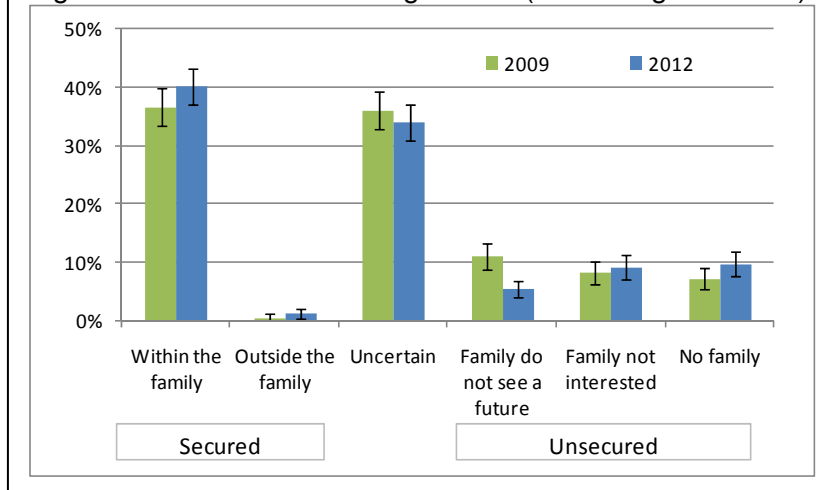
	% of farms		95% CI	
	2009	2012	2009	2012
I will do all I can to remain in farming	41	45	±3	±3
I will try to remain in farming	38	36	±3	±3
I'm thinking of leaving farming for another career	2	1	±1	±1
I plan to retire	19	18	±3	±3

Figure 5.2: Future challenge by farmer's age (left) and LFA area (right) (Percentage of farms)



5.2 Succession

Figure 5.3: Succession arrangements (Percentage of farms)



Succession is a key factor for business continuity. In 2012, 41% ($\pm 3\%$) of farmers had succession secure, for 34% ($\pm 3\%$) succession was uncertain and for a quarter there were no succession arrangements; the pattern is largely similar to that observed in the 2009 survey.

Larger and full-time commercial farms were more likely to have succession secured.

5.3 Maintaining the upland way of life and environment

Hill farming remains an important way of life in the English uplands with the majority of farms being either long established or first generation farms (see Figure 1.2). The value of farming in the uplands cannot just be viewed in economic terms, and there is a need to better understand the motivations for farming in these more challenging locations.

Table 5.3: Maintaining the traditional upland way of life is...

	% of farms		95% CI	
	2009	2012	2009	2012
Very important	60	58	± 3	± 3
Important	35	35	± 3	± 3
Unimportant	3	3	± 1	± 1
Change would be a good thing	3	3	± 1	± 1

In both years surveyed, over 90% of farmers considered that maintaining the traditional upland way of life was either very important or important. In 2012, those who classed their farm as “Mainly moorland” and had land in the SDA only were much more likely to indicate that maintaining the upland way of life was very important (Figure 5.4). Those for which the farm is a hobby or lifestyle choice were less likely to rate the upland way of life as highly as commercial farms.

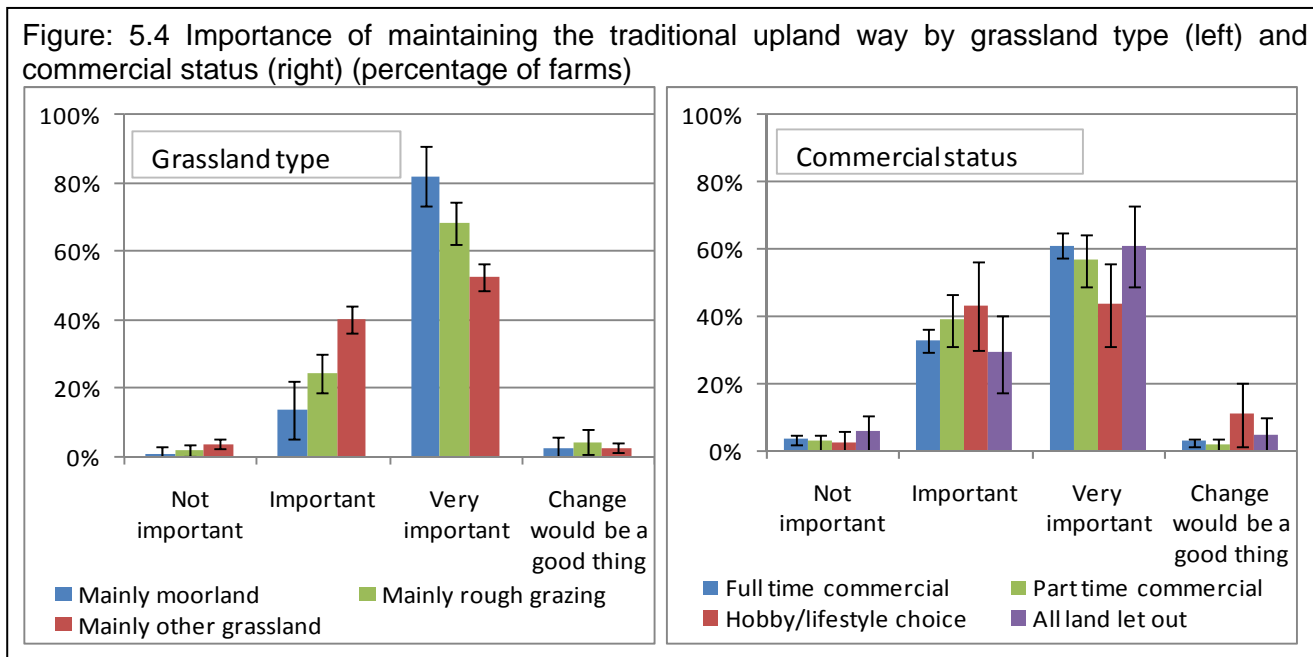


Table 5.4: Maintaining the environment is:

	% of farms		95% CI	
	2009	2012	2009	2012
Vital to the future of upland farming	38	43	±3	±3
Part of the process of upland farming	53	59	±3	±3
Making upland farming less profitable	11	8	±2	±2
Making upland management more difficult	18	15	±2	±2

Note: Farmers could select more than one statement

With regards to maintaining the environment, responses were slightly more positive than in 2009 with a greater proportion of farmers indicating that this was part of the process or vital to upland farming (Table 5.4). In addition, fewer indicated that maintaining the environment was making upland management more difficult or less profitable. Those with “Mainly moorland” and full-time commercial farms were more likely to indicate that maintaining the environment was part of the upland process - they were also more likely to highlight that maintaining the environment was making upland farm management more difficult and less profitable.

5.4 Challenges

Farmers were asked to identify what they thought would be the greatest challenges for their farm in the future. Overall, in 2009 and 2012, the most important challenges were seen to be market prices, changes to Single Payment Scheme (SPS) payments, the impact of new regulations, input costs, and the level of environmental payments (Figure 5.5). Although indicated by less than 20% of farmers, there has been an increase in the proportion of farmers highlighting “availability of skilled labour”.

Responses do differ between groups. Those for which the farm is a hobby or lifestyle choice were less likely to highlight any of the proposed challenges than commercial farms. “Mainly moorland”

farms were more likely to highlight the level of environment payments, changes to SPS payments, new regulations and input costs than farms with better quality grassland.

Figure 5.5: The biggest challenge for the farm will be...(percentage of farms)

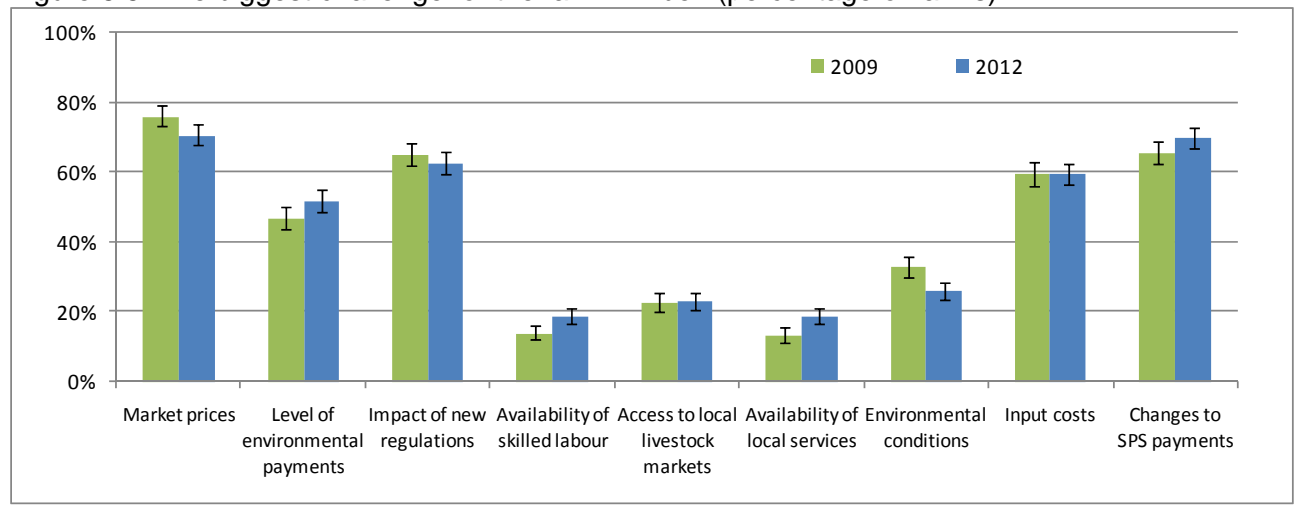
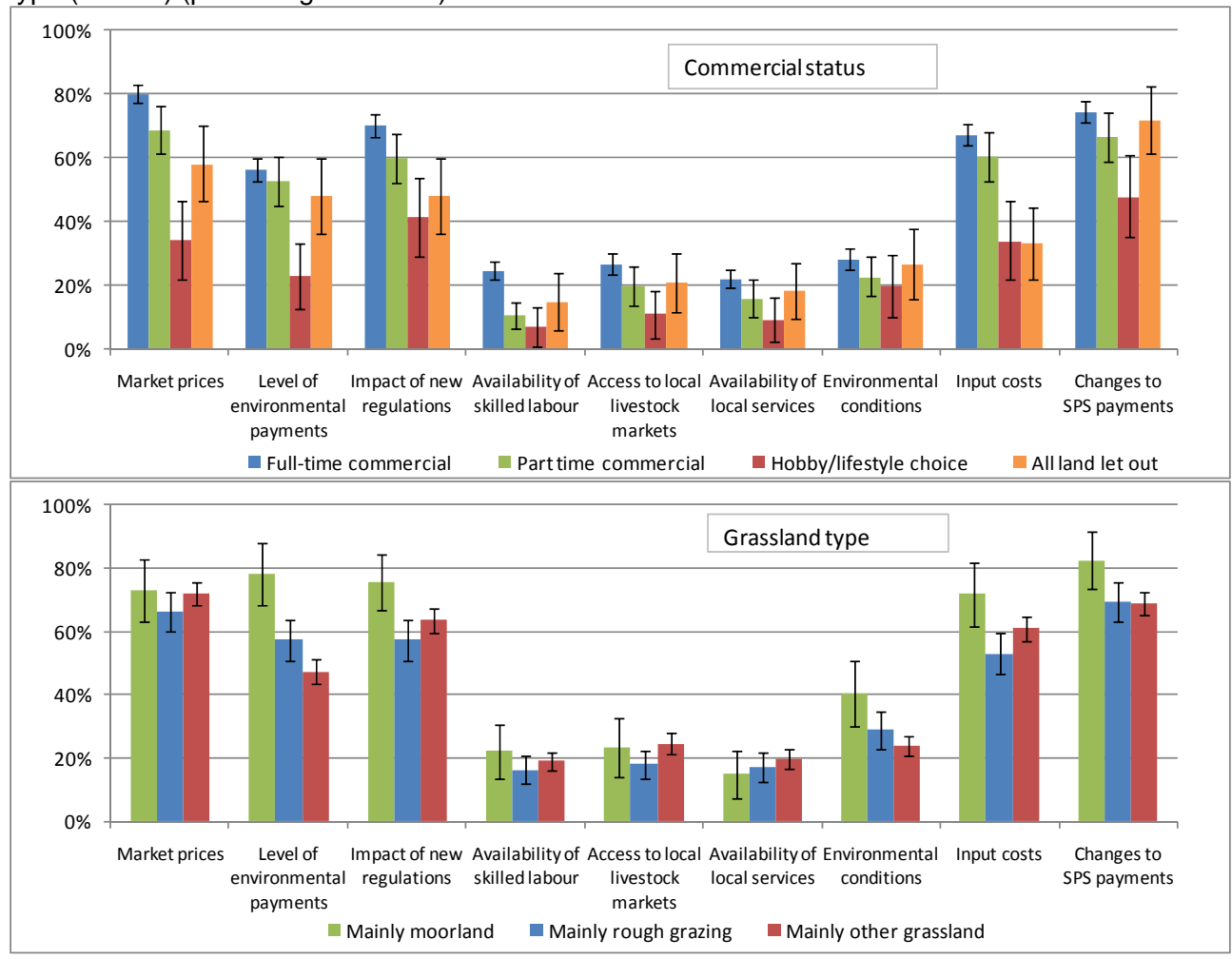


Figure 5.6: The biggest challenge for the farm will be..by commercial status (top) and grassland type (bottom) (percentage of farms)



Appendix 1 – The National Character Areas (NCAs) included within each surveyed upland region

Uplands Region	NCAs Included
Borders	Border Moors and Forests, Cheviot Fringe, Cheviots, Mid Northumberland, Northumberland Sandstone Hills, Solway Basin, Tyne Gap and Hadrian's Wall
Bowland	Bowland Fells, Bowland Fringe and Pendle Hill
Cumbrian Coast	Morecambe Bay Limestones, West Cumbria Coastal Plain
Dartmoor / Bodmin Moor	Bodmin Moor, Dartmoor, South Devon
Exmoor	Exmoor, Quantock Hills
Lakes	Cumbria High Fells, Howgill Fells, Orton Fells, South Cumbria Low Fells
North Pennines	Durham Coalfield Pennine Fringe, Eden Valley, North Pennines
North Yorkshire Moors	Howardian Hills, North Yorkshire Moors and Cleveland Hills, Tees Lowlands, Vale of Mowbray
Peak District	Dark Peak, Derbyshire Peak Fringe and Lower Derwent, Needwood and South Derbyshire Claylands, Nottinghamshire Derbyshire and Yorkshire Coalfield, Potteries and Churnet Valley, South West Peak, White Peak, Yorkshire Southern Pennine Fringe
South Pennines	Lancashire Valleys, Manchester Pennine Fringe, Southern Pennines
Welsh Borders	Black Mountains and Golden Valley, Clun and North West Herefordshire Hills, Oswestry Uplands, Shropshire Hills, Shropshire, Cheshire and Staffordshire Plain, South Herefordshire and Over Severn
Yorkshire Dales	Pennine Dales Fringe, Yorkshire Dales