

## Upland Pathways to Success Notes 15/06 4pm

**Attendees:** [REDACTED]

### **Actions**

- [REDACTED] to consider whether 2024 modelling is possible to provide commentary on where those channels are at that midway point
- [REDACTED] to look into stackability questions for the AES assumption channel (SFI)
- [REDACTED] to reflect on challenges to modelling assumption channels
- [REDACTED] to consider when we next update the Upland Alliance on Pathways work
- [REDACTED] to move next meeting to 2-3pm

### **Notes**

- [REDACTED] took us through the underpinning assumptions behind this work. We want to estimate the implications of Defra agricultural policy on farm incomes in 2028 (purpose), focussing on agri levers, wider policy and economic climate is to be assumed static (scope).
- We want to answer: 1) whose profits we expect to be most affected? Is there a rationale for bespoke interventions in certain subsectors? What is the potential of certain levers, such as agri-environment schemes, to recover lost profits?

### **Direct payment withdrawal**

- by 2028 assume no more DPs. Farmers will have DPs at £0
- [REDACTED] – 2028 end of transition, is it worth looking at 2024 as a midway point?  
[REDACTED] – can look into that
- [REDACTED] – good to know what type of businesses are likely to exit? Will they be replaced or priced out of the market?

### **AES**

- not designed to support farm incomes, designed to support farm practices that are environmentally beneficial – due to the design of payment rates, farms with land which is less agriculturally productive actually stand to benefit from AES
- [REDACTED] – That statement (and this slide) would have been easier/more useful to see at the top of an E.L.M document somewhere. Would have made it easier to sell to farmers. That simple description would have solved some of the concern we see currently from farmers
- [REDACTED] – Code GS5 under CS. We have just been given the SFI/LNR options for low input grassland. Interesting that the intermediate SFI is equivalent to GS5 - which suggests that you will not be able to be in SFI and GS5 & GS2 (lowland equivalent) – double-funding. Are we assuming people already in a CS scheme would be able to get more funding or not? Doesn't seem likely that you can stack SFI
- Is a persona those who are already in CS and those who aren't?

### **Productivity capital grants**

- [REDACTED] - Can that be cut by uplands as uplands tend to require less investment? Interesting to know from those previous schemes (farm productivity scheme), how much went into LFA areas – would be surprised if it was a lot. Are you taking productivity as an increase in farm business income as opposed to output? Important to be clear on how we define productivity
- [REDACTED] - Suspect vast amount of productivity capital grants into an upland scenario have not inc. productivity at all, they have made it easier (record keeping management) without very much in the way of substantive change – provided a different productivity gain, not always tangible. The hard part with the farming investment fund for upland farms, they will have been struggling to find the capital sum for doing what they want to do

### **Behaviour change**

- We know that between farms with similar characteristics, there's still a large productivity gap. Through some transitional interventions (i.e. resilience fund) we're hoping we can use the transition to close some of that gap
- [REDACTED] - One of the most important sections. Imagine there will be a great deal of difference on age
- [REDACTED] – If I was to ask upland farmers the legacy lack of investment of agri productivity, they would say that's not as a fact of DPs – it's a result of the complete removal of any farm infrastructure grants. its only in a catchment sensitive situation where anyone has been – which would contribute to productivity and the environment
- [REDACTED] – question to ask, if you've been receiving that much per hectare in DPs over the last few years, why haven't you invested it in that productivity and infrastructure?
- [REDACTED] – all it may do is mean that there is a time lag between uptake, if the modelling shows its going to be age related – a time lag, maybe an opportunity to do something?

### **Rent adjustment**

- Little evidence at the moment. Currently going up. short-term grazing license going up, assumption has been with reducing intense productivity per hectare, they are offsetting that by spending money on taking more land. So far haven't seen any reduction in rent level
- [REDACTED] – responsible landlords (most are) would take into account the proposed farming system that a tenant is putting forward, and not adjust the level of rent they're offering – to assess what they're proposing stands up and is viable. Pressures on rents – wont kick in for farming for another year or two, as BPS starts to reduce. technically, reductions in BPS is a valid reason for a tenant to serve a section 12 on a landlord to reduce rent.

### **Exits**

- [REDACTED] - Important to keep what we have here, don't overcomplicate – concentrate on the core things farmers see as key. Could end up with too many variables.