

Written Parliamentary Statement: Uplands Entry Level Stewardship

The Government is committed to continued funding specifically for upland farmers, to reward them for the delivery of specific landscape and environmental benefits not provided by the market. This directly reflects the crucial role that hill farmers play in shaping the upland landscape and its environment.

In 2006 the Government announced that uplands support would be integrated into Environmental Stewardship from 2010, replacing the Hill Farm Allowance (HFA). More recently I confirmed that we would do this through a specific uplands strand to Entry Level Stewardship (ELS), and that further details would be announced before the end of the year. Following discussion of our proposals with the hill farming community, and testing on 66 hill farms in England, I am pleased to now outline the full details of 'Uplands ELS'.

Following the testing and consultation over the summer, we have made a number of changes to the technical detail of Uplands ELS to make it more practical and attractive for farmers, while still making a significant contribution towards our environmental objectives. These changes respond directly to views expressed by stakeholders and the hill farming community. I would like to take this opportunity to thank all those who have helped ensure that Uplands ELS is practical for farmers, and recognises existing good practice as well as delivering environmental and landscape benefits.

We will make just under £31 million per annum available for Uplands ELS, so that there is sufficient funding available for all upland farmers and land managers to enter the scheme. Based on our estimated uptake of at least 80%, we expect to spend over £25 million per year, which exceeds the £23.7m budget for the HFA.

Unlike the HFA, all farmers will be eligible to receive Uplands ELS, in return for the environmental benefits they sign up to deliver. And we are also including a commons supplement within Uplands ELS, to recognise the additional costs involved for commoners to reach agreement, which will be supplemented by clear guidance from Government stressing the critical role played by the active commoner in delivering the environmental and landscape benefits we are seeking. And we will continue to support the uplands through other mechanisms: for instance, 80% of the uplands have been identified by Natural England as target areas for enhanced support under Higher Level Stewardship.

I recognise that the change from the HFA to Uplands ELS will require a period of adjustment for hill farmers. To ease this transition, we are putting in place the following arrangements:

- a) We will extend the HFA for one further year, so that farmers receive their last HFA payment in 2010 – rather than 2009, as previously announced;
- b) The start date for Uplands ELS will be 1 July 2010;
- c) We will provide transitional payments for farmers with land still in "classic scheme agreements" from 2011, providing they received the HFA in 2010.

These arrangements will significantly smooth the impact on farmers' cash flow, reducing the payment gap that they would otherwise face between the HFA and their first Uplands ELS payment from a minimum of 16 months down to only 10 months.

The July start date for Uplands ELS will also provide farmers with more time to understand the new scheme and how it will fit on their farm. To further help this, we are also significantly boosting the level of advice that will be available to upland farmers to help them enter Uplands ELS. Further details on this enhanced advice programme will be available from Natural England next year.

And providing transitional payments for farmers with land still in “classic scheme agreements” will ensure we do not penalise these early adopters of agri-environment, given that they will be unable to access Uplands ELS (due to double funding rules) until the end of their existing agreements.

Farmers with tenancy arrangements of less than 5 years will be able to enter Uplands ELS, providing their landlord countersigns the application. This is necessary under EU rules to ensure we achieve the environmental benefits for the full length of the agri-environment commitment.

Uplands ELS explicitly recognises the importance of the active grazier, and we therefore see the involvement of these tenant farmers as essential to delivering the benefits that we are seeking – for example, by keeping a minimum level of stock on moorland. It is the Government’s firm view that the role of the grazier should therefore be fully recognised when landowners and tenants reach agreement on entering Uplands ELS. My officials will continue to work with the NFU, TFA and CLA to find ways to maximise uptake of Uplands ELS, including by farmers with tenancy arrangements of less than 5 years. I have asked the Tenancy Reform Industry Group to take this forward.

We will monitor the longer term benefits of all agri-environment schemes in the uplands, and will review the uptake and administration of Uplands ELS before the end of the current rural development programme in 2013, looking particularly at the impact on tenant farmers, commoners and any other groups. We will also monitor the longer term benefits of all agri-environment schemes in the uplands.

As the HFA and UELS are funded under the Rural Development Programme for England, we shall now seek Commission approval for a modification to the Programme to give effect to these proposals, once we have formally consulted the RDPE Programme Monitoring Committee.

I believe the final design of Uplands ELS achieves the right balance between being practical for farmers and beneficial to the uplands environment, and will help achieve our objective of landscape-scale coverage.

Further detail about the design of Uplands ELS can be found on the Defra website at www.defra.gov.uk/rural/uplands.