

Briefing 1234

Farming in the uplands

Summary

Defra must produce an uplands strategy that sets out clear, costed action to ensure that hill farming in the uplands can thrive and that delivers agri-environment schemes and the Single Payment Scheme. Upland farming would benefit from a return to a limited form of coupled payment in the reformed CAP. Hill farmers need to make money from the provision of public goods, need access to improved knowledge transfer and support to diversify. Superfast broadband is one element needed for the development of upland communities as is more affordable housing. Upland communities and hill farmers should not be disadvantaged in respect of accessing grants.

This paper is summarised from the conclusions and recommendations of the Parliamentary Environment, Food and Rural Affairs Committee Report *'Farming in the Uplands'* which is at:
<http://www.publications.parliament.uk/pa/cm201011/cmselect/cmenvfru/556/556.pdf>

Commission for Rural Communities

1. We are concerned that, following the abolition of the Commission for Rural Communities (CRC), there is a real risk of a diminution in rural expertise within Defra and across Government.
2. We recommend that Defra set out in clear and unambiguous terms how its Ministers and Rural Communities Policy Unit will build their capacity and expertise in relation to rural issues and how they will provide the degree of 'challenge' across Government to act as effective advocates for rural communities. We further recommend that Defra's Rural Communities Policy Unit be required to:
 - o Work across Government to ensure policy is 'rural proofed',
 - o Make its work accessible to the public, and
 - o Continue the data collection and analysis work of the CRC.

Defining the uplands

5. We recommend that Defra revisit the question of setting out a statutory UK or England-specific definition of 'uplands' to assist the department in targeting policy and data collection. A Natural Environment Bill, which may arise from the anticipated Natural Environment White Paper, may provide an appropriate legislative opportunity to do this.
6. We are concerned that, in their current form, the European Commission's proposals for new criteria to assess Less Favoured Area (LFA) status would exclude significant areas of England from the additional support they currently enjoy and will continue to require.

A new national strategy for the uplands

7. Mindful of our witnesses strictures that it is time to “get on with it”, the Government should set out an uplands action plan; setting out its policy objectives, the specific action to be taken to achieve them, by whom, the timescales for implementation and the scale and source of the resources available. The action plan should allow for flexibility of approach to reflect the variation between upland areas and encompass action to be taken by each Government department.

Leadership

8. If Defra's uplands strategy is to be successful it is imperative that the department have sufficient influence across Whitehall to ensure that the Government as a whole recognises the importance of the uplands and hill farming. We recommend that a Defra Minister is given cross-cutting responsibilities for the uplands. That Minister should establish an effective advisory panel to provide a breadth of expertise to challenge policy proposals and confront inertia within Government.

Future funding for upland farming

9. Farming should be the primary activity of hill farms. The Government's forthcoming uplands strategy must address how, as the first priority, farming activities can be enhanced and made more efficient to increase hill farm incomes. We accept that farming will not necessarily provide sufficient income for some hill farms to continue. The Government's uplands strategy should therefore consider the barriers to diversification and new markets and how best to enable farmers in the uplands to exploit those business opportunities.

Single Payment Scheme

10. We recommend that the Government sets out under what conditions it would consider supporting a re-introduction of headage payments for upland farms.

Stocking rates

11. We recommend that stocking rate decisions should be based on an agreed environmental outcome, for example achieving a set sward length rather than prescribing the number of livestock and the grazing season. Stocking rate decisions should be taken locally and involve local farmers.

Uplands Entry Level Stewardship Scheme (UELS)

12. We recommend that the Uplands Entry Level Stewardship be reviewed before the end of this year. The review should consider the challenges faced by tenants and commoners in accessing the scheme. If the review finds that they are so disadvantaged, we recommend that Defra bring forward proposals to remove the barriers to accessing the schemes, to include a mediation or dispute resolution mechanism accessible to land owners, tenants and commoners.

Common Agriculture Policy reform

13. The current rules for calculating ‘income foregone’ provide insufficient compensation for uplands farmers and discourage more from joining agri-environment schemes. We recommend that Defra set out how the definition of ‘income foregone’ can be extended for farmers in Less Favoured Areas only to reflect the costs of running the farm. One of Defra's aims for the current round of CAP reform should be a more transparent system of paying farmers for the benefits being delivered through agri-environment schemes.

Carbon markets

14. A functioning carbon market operating in the uplands is an important long term goal. We recommend the Department for Energy and Climate Change work with Defra to identify a mechanism by which the uplands could participate in a carbon market, what regulatory barriers need to be removed and what the likely return to farmers would be. This work should consider how peatland restoration could be incorporated.

Water markets

16. We recommend that Defra work with the water industry and the economic regulator, Ofwat, to encourage the development of water markets more widely in the uplands.

17. There are several examples of water companies working with upland land managers to improve water quality. We encourage the industry, supported by Ofwat, to explore greater use of the natural environment, particularly in the uplands, to improve water quality.

18. We recommend that Defra work with the Environment Agency to identify ways to encourage local partners and land managers to work together on water sequestration schemes with the goal of reducing flood risk.

Tourism

19. Tourism has the potential to be an additional source of income for upland farmers. Defra's upland strategy should set out how the Government will support farmers seeking to diversify into business activities that serve those tourists.

20. Some National Parks contract farmers to carry out specific activities to manage the land, such as maintaining paths and walls. We recommend Defra seek further ways that farmers can generate additional income, for example by being contracted to assist in clearing snow during bad weather.

Future development

21. Improved extension services and demonstration farms, need to be part of the mix. We recommend that Defra include specific reference in its uplands strategy action plan as to how it will support improving agricultural, business and management skills and schemes that enable diversification.

22. Succession is likely to remain problematic until the fundamental issues of low economic viability and high uncertainty of hill farming are addressed.

Broadband

23. The efficiency of upland farming will be enhanced by the ability to reliably access information and transact business online. Defra should set out how and by when the super-fast broadband trial will be evaluated. Defra's uplands strategy action plan should set out where and by when the super-fast broadband trial will be extended, and what resources have been identified to fund an extension of the trial.

Planning and housing

24. It is essential that the Government's national planning framework include policies to mitigate the problems of lack of affordable housing in rural areas. The Home on the Farm scheme may be part of the solution to lack of affordable housing—we seek clarification from Defra as to how the scheme will work in practice. In particular, we expect Defra to clarify whether, 'Home on the Farm' will be limited to providing

affordable housing and whether retired farmers and current farm workers will be able to take advantage of the scheme.

25. We recommend that Defra work across Government to ensure that the national planning framework has a flexible and less restrictive approach to housing in rural areas. The planning framework should enable local communities to seek innovative and cost-effective solutions to the problem of affordable housing in rural areas, for example through use of defence estate properties that are becoming vacant.

National Parks

26. We support the purpose behind the CRC's recommendation that National Park Authorities have an additional statutory duty relating to social and economic wellbeing. The Authorities' duties to the landscape and environment and the people who live, work and cherish those landscapes should have equal status. We recommend that the Government seek an appropriate legislative vehicle to make this change and to introduce greater flexibility.

27. We encourage rural and farming representative organisations engage with LEPs. We recommend that Defra engage with the Department for Business, Innovation and Skills about including consideration of rural needs, where appropriate given the geography, as part of the criteria for selection of future LEPs.

28. We recommend that Defra provide a clear and precise description of how Rural Development Programme for England (RDPE) funding will be provided across the country, with or without LEPs.

29. We recommend that the Government explore a simpler means of gaining access to rural funding, of all kinds, through a one-stop-shop.

30. We recommend that Defra only use LEPs as a focus for delivery of RDPE funding in future (after 2013), when they have demonstrated that LEPs have sufficient geographical extent to benefit farmers in all rural areas and have sufficient skills, local knowledge and interest to assist with rural businesses. In the intervening time RDPE funding is to be delivered by Defra. We remain to be convinced that the department will be an effective and efficient delivery body. We expect Defra to set out how it will administer the fund and what processes are in place to monitor its performance as a delivery body.

Alan Spedding, 22 February 2011

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RuSource is a voluntary project partly supported by donations and sponsorship.

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