

# Defra's Agricultural Transition Plan

February 2021 Update

Simon Fisher

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# What has happened?

  
Department  
for Environment  
Food & Rural Affairs


**The Path to Sustainable Farming: An  
Agricultural Transition Plan 2021 to  
2024**


November 2020

1

  
Department  
for Environment  
Food & Rural Affairs

## Farming is Changing






Blog

## Defra Future Farming

Organisations: [Department for Environment, Food & Rural Affairs](#)

### The year ahead: details and delivery

[Janet Hughes](#), 28 January 2021 - [Things we're doing](#)



2021 is the year of details and delivery for the future farming programme as we work to implement the [Agricultural Transition Plan](#).

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2021

2022

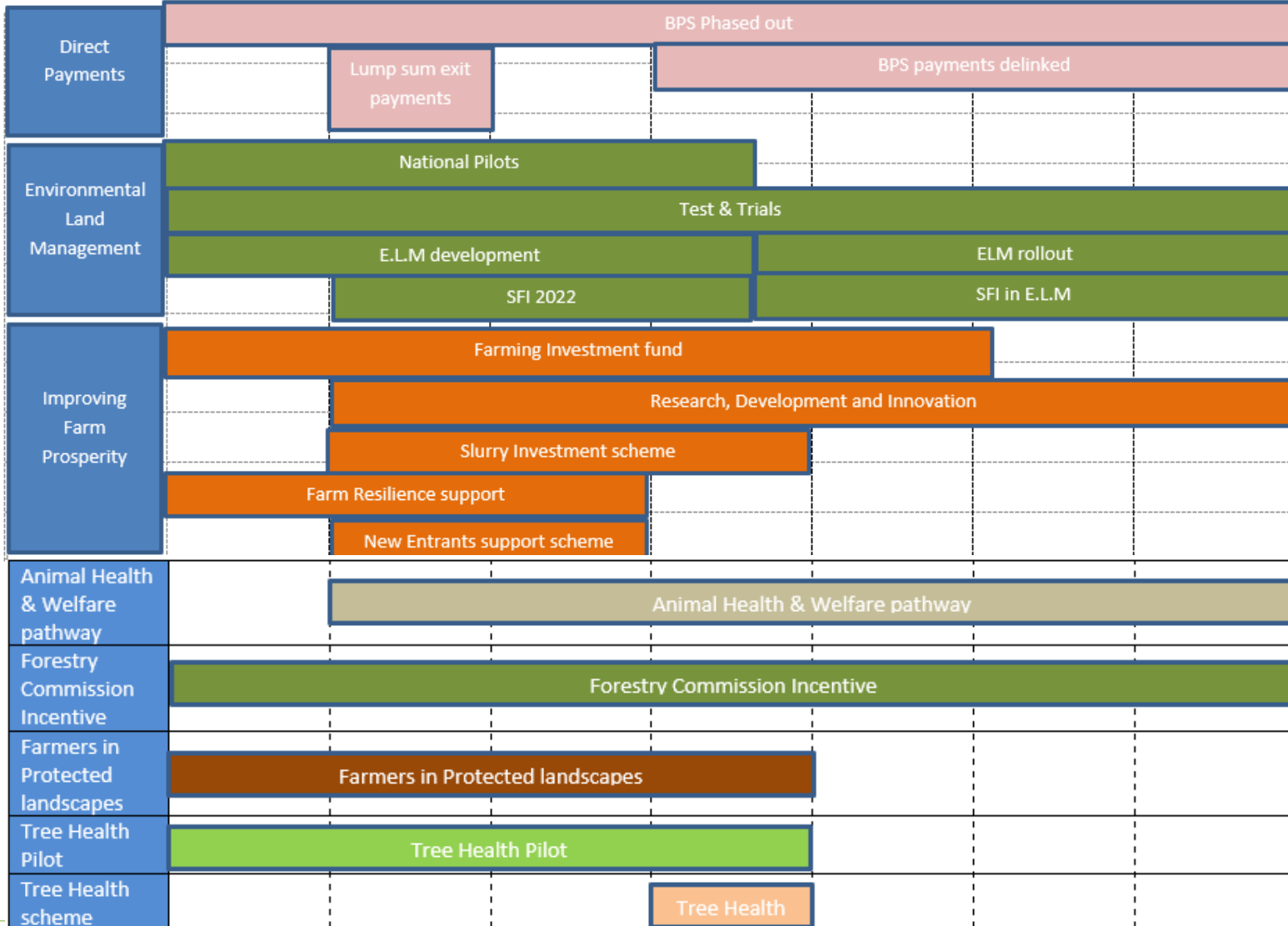
2023

2024

2025

2026

2027



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# What is happening in 2021?

- **BPS rules and calendar similar to previous years but.. Covid impact?**
- **BPS simplification:**
  - **Remove the greening rules**, but remember rules on permanent grassland remain, need to still code land use on BPS claims
  - **Removal of 'use it or lose it' entitlement usage requirement**
  - **Extend force majeure provisions from 15 days to 8 weeks if needed**
  - **Supporting documents need to be in by 11 June**
  - **Late amendment deadline without penalty now 11 June**
  - Expect change in approach to **inspections** in addition to no greening checks
  - Cross compliance admin changes – see later on
- **Progressive BPS Payment Reductions from 2021**



**Our schemes are changing**

Changes to Countryside Stewardship (CS) and the Basic Payment Scheme (BPS) from 2021, and what you need to know.

**Helpline**  
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Keep up to date with our [latest news](#) on [GOV.UK](#)

Page 1 NFU Briefing

Circulation: NFU Members	Date: 18 January 2021
Ref: Version 1	Contact: NFU CallFirst
	Tel: 0370 845 8458

**BPS 2021 – Policy Changes**

**1 Introduction and further information**

Below is a summary of the key policy changes made or expected to be made to BPS for the 2021 scheme year. As always, the only way to ensure that you know all the rules is to read the guidance the RPA produces in full when it is published.

This RPA 2021 BPS guidance will cover all the changes made for 2021 and those that were first introduced in 2020 and which were issued after the first version of the 2020 handbook was published, such as changes to over-declaration penalties.

For more information on BPS 2021 changes as they are published please refer to the following sections on Gov.uk for BPS: <https://www.gov.uk/government/collections/bps-2021> For information on cross compliance changes being brought in for 2021, these can be found here: <https://www.gov.uk/guidance/cross-compliance-2021> and are set out within the 2021 Cross Compliance Guidance.

The NFU has a suite of guidance to help members through BPS and the changes for 2021, this briefing is complemented with information on Cross Compliance 2021, which can be found here: <https://www.nfuonline.com/cross-sector/farm-business/how>

**2 What is not covered in this briefing?**

On the 30 November 2020 Defra published its Agricultural Transition Plan, we have covered this development in a separate briefing found here: <https://www.nfuonline.com/cross-sector/farm-business/farm-support/>. We will cover separately to this ATP briefing via this link information on the following elements that will impact on BPS in the coming years.

- Lump sum exit payments
- Progressive Reductions to direct payments
- Change of direct payments delivery model from BPS to Delinked payments

As such we will not cover here information on these developments.

**3 So are there any changes this year?**

The RPA and Defra have made a number of further BPS scheme simplifications this year following those made for the 2020 scheme year. These further changes for 2021 are as a result of leaving the EU and the passing of the Agriculture Bill into law in November 2020. These are set out below.

It is important to remember that despite the changes made in 2020 and those set out below, BPS in many ways has not changed. The RPA will continue to inspect claiming farmers, their land, and animals in much the same way as they have done in the past. Equally, mapping may have been updated prior to the 2021 claim window opening. It is therefore critical that farmers familiarise themselves with the BPS related guidance that is in place for 2021.

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# BPS Progressive Reductions (%) – Part 1

Payment Band	2021 scheme year	2022 scheme year	2023 scheme year	2024 scheme year
<=£30,000	5%	20%	35%	50%
£30,000 to £50,000	10%	25%	40%	55%
£50,000 to £150,000	20%	35%	50%	65%
>£150,000	25%	40%	55%	70%
Cumulative total amount to be redirected into delivering other schemes for farmers	£169 - 179m	c£427 - 447m	c£703 - 733m	c£970 - 1,010m

**Example** - 2021 year: Claim worth £40,000, a 5% reduction is applied to the first £30,000 and a 10% reduction is applied to the next £10,000 resulting in a revised payment of £37,500.

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# What is happening after 2021 to Direct Payments?

- **One Off Lump Sum Exit Payment** - Looking to offer this in 2022. **Consultation March 2021**
- **Delinking** - Plan to delink payments and remove the requirement to farm the land in 2024
- **Consultation** – Defra will be consulting industry on the details of these elements in **March 2021**. NFU member engagement plans being developed.
- **Member Support** – Q&A material to help understand changes.

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NFU Briefing

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Tel: 0370 8458458

## Lump Sum Payments

Below in a question and answer format is information on the Government and Defra's plans to offer a lump sum payment to those claiming direct payments in the form of the Basic Payment Scheme (BPS) in England.

Page 1

NFU Briefing

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## Progressive Reductions of Direct Payments

Below in a question and answer format is information on the Government and Defra's plans to reduce direct payments that are paid to farmers in England between 2021 and 2027.

Page 1

NFU Briefing

Circulation: NFU Members

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Tel: 0370 8458458

## Delinking Direct Payments

Below in a question and answer format is information on the Government and Defra's plans to delink direct payments that is planned to come into being for farmers in England in 2024.

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# What will funding be used for?

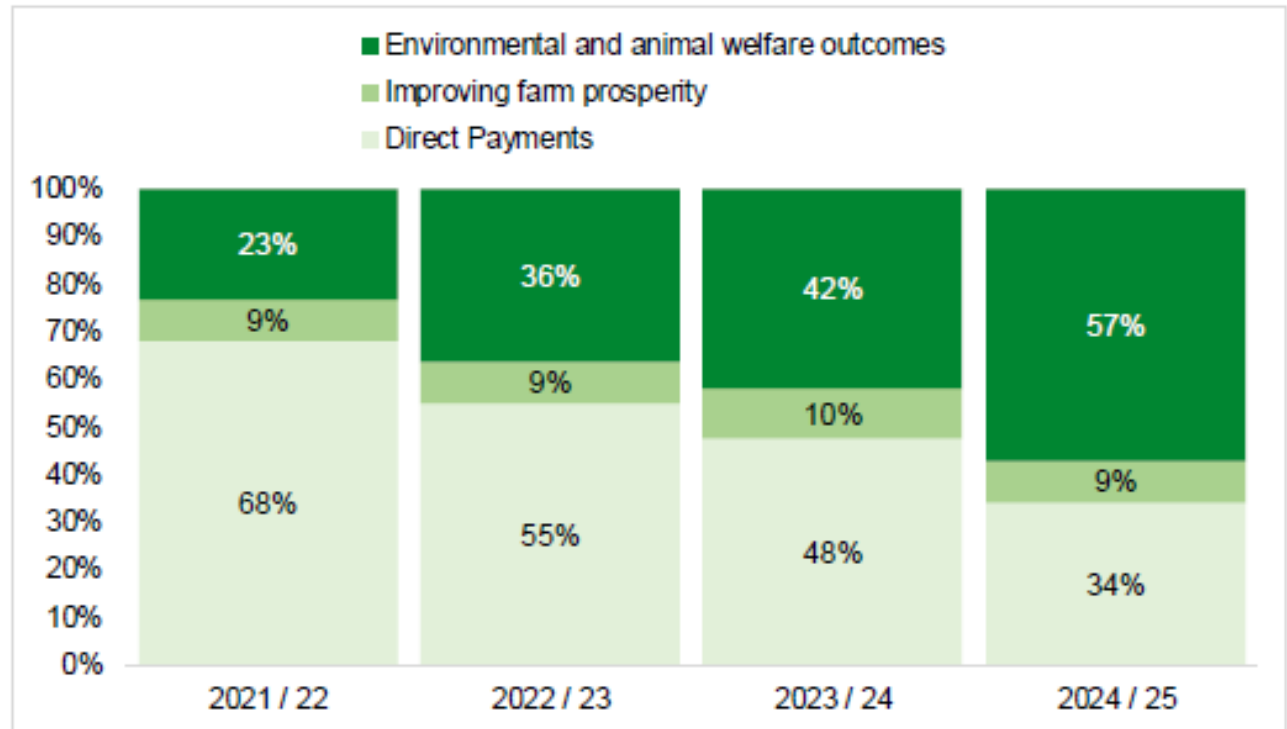
2020

situation:

- 75% direct payments
- 18% agri-environment
- 7% productivity

**\*Same Budget\***

Figure 1: Funding plan for 2021/22, 2022/23, 2023/24 and 2024/25



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# Environmental Land Management

- 3 Tiers become 3 components:
    - (1) Sustainable Farming Incentive SFI (foundation - simple actions that achieve environmental outcomes)
    - (2) Local Nature Recovery (collaboration - locally-targeted environmental goals )
    - (3) Landscape Recovery (land use change - through long-term projects )
  - **Test and Trials** – Phases 1 & 2 ongoing and soon Phase 3
  - **National Pilot** – EOI launch in **March 2021**
  - **Core elements of SFI** - from March 2022 onwards with details in **June 2021**
  - **Full ELM** - from 2024
- (2020 ELMs Discussion document – response expected soon)**

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# SFI 2022 – Core Elements

## Pilot with 8 standards:

- Arable and horticulture soils
- Improved grassland soils
- Improved grasslands
- Semi improved grasslands
- Arable land
- Hedgerow
- On-farm woodland
- Water buffering

## Key features

- Additional to SFI National Pilot
- Compliment CS
- 2022 – 2024
- BPS claimants eligible

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# Environmentally Sustainable farming

- **Countryside Stewardship**
  - Remains open until 2023 (changes start next week – **9 February** for 1/1/22 start date agreements), improvements continue (annual claim window inc ES BPS opens **18 March**)
  - Agreed exit points for anyone who secures a place in the Environmental Land Management scheme from 2024
  - Smooth transition from CS to ELM – more information expected **late 2021**
- **Woodland creation** - following remain available:
  - Woodland Creation Planning Grant
  - Countryside Stewardship
  - Woodland Carbon Fund
  - HS2 Woodland Fund
  - Woodland Carbon Guarantee
- **Tree Plant Health Scheme** – **launch pilot in 2021** - support for felling and treatment of diseased trees, and restocking following felling – **2021?**
- **Protected landscapes** - **start 2021** - will be preference for BPS re-target (NPA/AONB facilitated to support infrastructure and environmental improvements) – information expected **spring 2021**

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# Sustainable Productivity Support

- Farming Investment Fund – small/large productivity - **October 2021**
- Slurry Investment Scheme – **2022 (updates during 2021)**
- Animal Health and Welfare Pathway – **2022 (ditto)**
- Innovation, Research & Development Scheme – **2022 (events from summer 2021)**
- New Entrant Scheme – **2022 (updates during 2021)**
- Future Farm Resilience funding – **May 2021 onwards**

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# Changes to regulation and enforcement

- **Future Approach by 2028** - Defra will have a reformed regulatory approach for agriculture – currently looking to focus on a ‘small number’ of the most significant elements – **updates in 2021?**
- **Short term gains in 2021** - improvements to cross compliance:
  - Increase the use of warning letters
  - Change the Verifiable Standards
  - Greater range of more proportionate penalties
  - Improve the effectiveness of risk-based targeting



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# Consultations expected...

Alongside daily co-design activity on ATP themes and schemes:

- **March 2021** - Lump Sum/Exit payment and Delinking of Direct Payments
- **2021** - Future of Producer Organisations?
- **2021** - Slurry Store Investment & standards
- Animal Health and Welfare investment scheme, Welfare labelling and standards

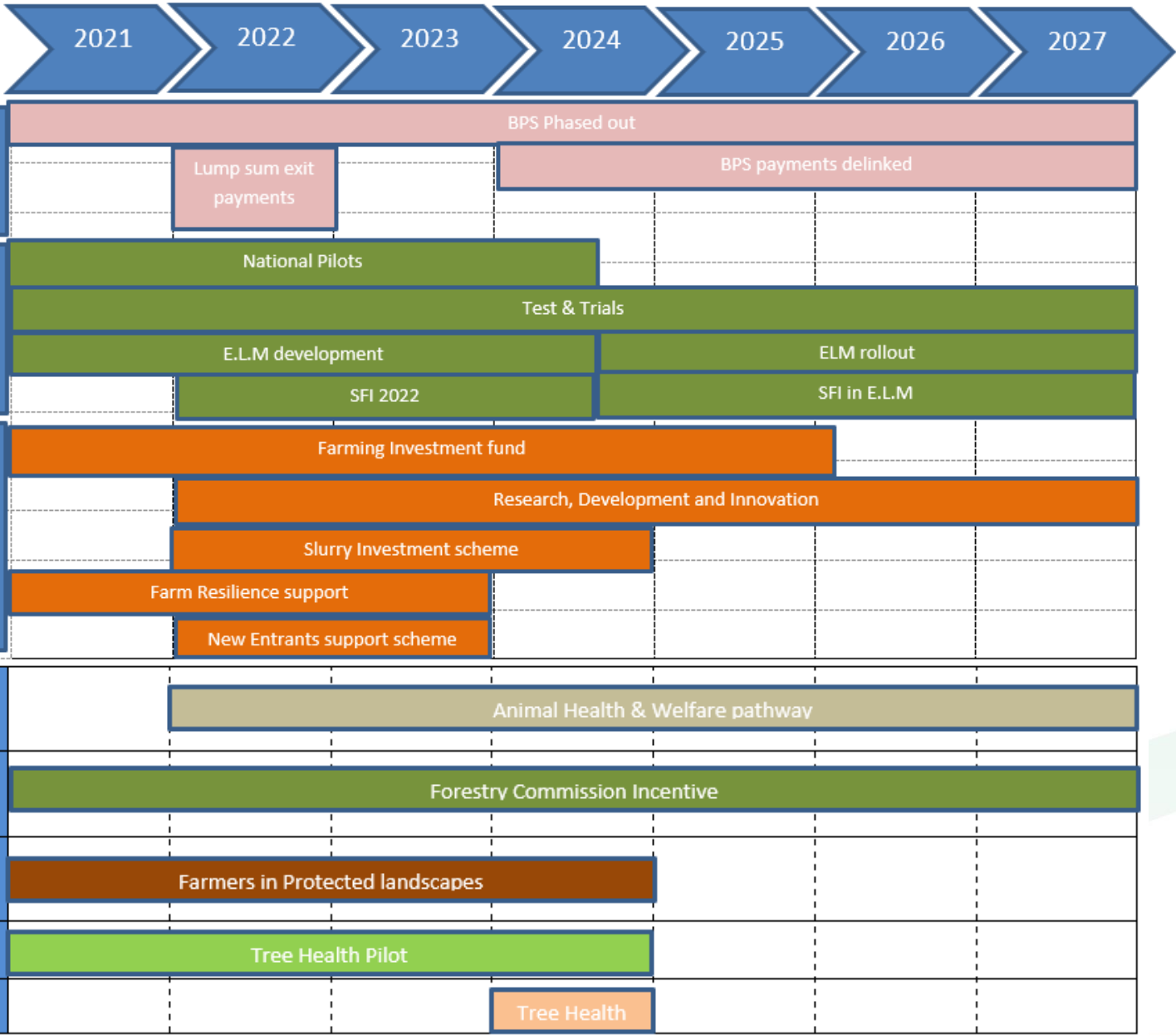
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# QUESTIONS

The screenshot shows the NFU website's 'Farm Support' page. At the top is the NFU logo with the tagline 'the voice of British farming'. Below the logo is a navigation menu with links for Home, About Us, News, Our Offices, NFU Membership, Sectors, and Cross Sector. A breadcrumb trail indicates the current location: 'You are here: // Cross Sector // Farm Business // Farm Support'. The main heading is 'Farm Support'. A large text block explains that this area provides links to information and advice on BPS, countryside stewardship, environmental stewardship, the future Environmental Land Management scheme, current RDPE schemes, and new forms of agricultural support as they move away from CAP. Below this text, it says 'Use the links below to see how the NFU is acting for members on:' and lists four categories of support: BPS, Agri-Environment Schemes, RDPE Grant Schemes, and Future Farm Support. Each category has a list of sub-topics.

**NFU** the voice of British farming

Home | About Us | News | Our Offices | NFU Membership | Sectors | Cross Sector

You are here: // Cross Sector // Farm Business // Farm Support

## Farm Support

This area provides useful links to information and advice on BPS, countryside stewardship, environmental stewardship, the future Environmental Land Management scheme, current RDPE schemes and new forms of agricultural support as we move away from CAP.

Use the links below to see how the NFU is acting for members on:

- BPS**
  - BPS RULES
  - ENTITLEMENT AND GREENING
  - COMPLIANCE
- AGRI-ENVIRONMENT SCHEMES**
  - COUNTRYSIDE STEWARDSHIP
  - ENVIRONMENTAL STEWARDSHIP
- RDPE GRANT SCHEMES**
  - COUNTRYSIDE PRODUCTIVITY SMALL GRANT SCHEME
  - GROWTH PROGRAMME
- FUTURE FARM SUPPORT**
  - TRANSITION FROM THE CURRENT CAP
  - POST-BREXIT SUPPORT

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