

## What next for nature?

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We seem to find ourselves in a two-tiered farming system. We have

those that are in Countryside Stewardship alongside those in an overgenerous Sustainable Farming Incentive (SFI) scheme, receiving public money to deliver public goods.

Then, we have the rest of the farming industry, who'd previously received areabased payments and now have a phasing-out imbursement of just £600 for this coming year – a mere drop in the ocean.

With SFI 2024 maxing out its budget and closing prematurely, many have been left with a hole in forecasted budgets. Having a 'public money for public goods' government-funded scheme without proper budgetary controls on individual holdings was always going to be a problem, especially when the money runs out.

There are also many thousands of farmers whose Countryside Stewardship agreements expire at the end of this year, joining those in Higher-Tier schemes also due to expire who'd planned to enter SFI 2024 to replace the payments. This leaves them with the dilemma of what to do with these nature-friendly areas of land next year, as the forthcoming revised scheme won't be ready to move seamlessly into.

I speak to hundreds of farmers and I know many will decide to put these areas back into cropping. And this will be done despite these areas often having been chosen for schemes due to being in awkward corners or less productive areas. What will this do for their bank balances, nature recovery, and even farm resilience?

For certain nature-positive actions to be delivered there are clear costs to the farmer. Aspects like planting wild birdseed or pollen-rich mixes and nectar-enhanced margins take time and management. There's growing evidence that these increase the number of pollinators and beneficial insects while improving soil health, which helps to reduce input and pesticide costs. But to the farmer, these up-front costs for nature-positive actions aren't necessarily associated with the financial resilience that nature provides.

Research shows that nature can recover significantly when a minimum of 10% of the farmed landscape is managed using nature-friendly methods; the exact features and approaches to achieve this will vary just as much as our landscapes do.

The government has legally-binding commitments to halt nature decline by 2030. To achieve this, most farmers will have to deliver environmental improvements. As well as nature recovery, there'll have to be actions that support food security such as improving soil health, climate adaptation and water management. There'll also be a list of targets in the new Environment Improvement Plan that's due to be released.

It's extremely difficult for Defra to budget for this or next year's SFI 2023 or 2024 agreements because many farmers haven't completed their annual declarations. Current commodity prices will likely force increased payouts in some areas of the schemes, leaving Defra with an unknown bill to pay from an already underfunded pot.

Nature NATTERS

So what do we as land managers and farmers really want and require from a future 'public money for public goods' scheme? What do we most want support with to help us transition?

Currently, many of our costs go toward the maintenance and enhancement of the natural assets we have on our farms - bigger, bushier hedges, trees, stone walls and clean water courses are elements of our landscape the public cherishes. But what about the unseen key players like our soils? Farmers benefit from building soil health via improved cropping but the wider public also benefits, as we can retain more water in times of drought, slow the flow of excess rain, and sequester carbon, providing the foundation for biodiversity recovery.

The management of these core elements isn't rewarded by the market alone. That's where we require the funding. These assets often benefit the farm business through building climate resilience or improved soil health, but there's no immediate financial return. We have to see environmental land management schemes as more than just an income stream.

Defra has to make rapid decisions about how to support those with expiring agreements to continue delivering for nature before the new scheme is ready. Ideally, the next iteration of the scheme would be more future-proof: what are the core elements of environmental stewardship that public money should support across

all farms throughout the nation? Do these elements join up in a way that supports farmers in delivering for nature, the public, and their own balance sheets?

With the majority of arable farmers making poor returns this year following two very wet seasons, prompt access to income streams that reward the delivery of public goods will be essential for farm businesses to remain viable. Otherwise, with narratives such as 'national security equals food security' offered while funding for farmers is whipped away, the government further risks losing farmers' trust and willingness to engage.

I believe the government has a vision of nature-friendly farming but aren't communicating this in farmer-appropriate language or consistently delivering essential support. This makes it difficult or near impossible to invest wisely. With a whole-farm approach and public funding for public goods, we can deliver for the public, nature, food security, and importantly, ourselves.

## YOUR CORRESPONDENT

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