



Department
for Environment
Food & Rural Affairs

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

November 2020

1.1.1 What we are trying to achieve

By 2028, we want to see:

- a renewed agricultural sector, producing healthy food for consumption at home and abroad, where farms can be profitable and economically sustainable without subsidy
- farming and the countryside contributing significantly to environmental goals including addressing climate change

1.1.2 What this means for farmers

By 2028, our aim is that all farmers will be:

- running sustainable businesses that do not need to rely on public subsidy
- managing their whole business in a way that delivers profitable food production and the recovery of nature, fusing the best modern technology available today with the rediscovery of the traditional art of good farm husbandry
- able to access public money to help them deliver environmental and animal welfare outcomes on the land they manage and to help their businesses become more productive and sustainable
- meeting clear, relevant and outcome-focused legal standards that champion UK food internationally, prevent environmental harm, protect biosecurity and protect animal welfare

1.1.3 Our planned approach

Our guiding principles for managing the transition are to:

- co-design policy with our farmers
- help farmers do the right things for their businesses, and the environment
- earn people's trust in our systems and approach
- make things as clear and simple as possible for farmers
- make things fair and reasonable
- make things work for those who have to use them

- focus on achieving outcomes
- adapt and learn as we go

Between 2021 and 2028, we plan to do a range of things which, taken together, will achieve our aims to:

- phase out Direct Payments and existing agri-environment schemes in a gradual, smooth and orderly way, starting in 2021, with the last Direct Payments being made in 2027
- introduce our Environmental Land Management approach to agri-environment schemes, through pilots and tests from 2021-2024; early roll out of some core elements of all components², particularly the Sustainable Farming Incentive, from 2022; with all three components fully available from 2024
- establish an Animal Health and Welfare Pathway
- provide grant support to help farmers maintain and improve productivity, invest in research, development and sustainability through the transition
- replace EU-scheme-based regulation and enforcement with a new, more effective and trusted approach
- provide advice and guidance to farmers to help them make the right decisions for their circumstances
- help people through the transition, including with business planning, training and advice
- help farmers who wish to leave the sector with an exit scheme

1.1.4 When the changes will happen

Throughout the agricultural transition we will make reductions to Direct Payments and invest the money we free up in a better way. Farmers will see their receipts under Direct Payments progressively fall but will have the opportunity to access new schemes as that happens.

² We refer to components, when previously we have said tiers

In 2022 we will start rolling out some core elements of Environmental Land Management. The Sustainable Farming Incentive will support sustainable approaches to farm husbandry to deliver for the environment, such as actions to improve soil health, enhance hedgerows and promote integrated pest management.

During 2022 and 2023 we will also make more funding available within the legacy Countryside Stewardship scheme. We will simplify the administration of the scheme further and seek to increase participation rates so that more people and land areas can benefit from being part of the scheme.

We will offer a slurry investment scheme from 2022, to help reduce pollution from farming and contribute to the 25 Year Environment Plan and net-zero commitments, and help farmers prepare for increasingly effective and comprehensive enforcement of the rules about slurry management over the transition period.

There will also be some new, standalone programmes to support tree planting, peatland restoration and nature recovery. These will be consolidated within our new Environmental Land Management offer after 2024.

We will be launching a new industry-led innovation, research and development scheme to invest in innovation and ensure there is practical translation of world-leading research in agriculture, so that it can directly benefit farmers.

Finally, from 2022 we plan to offer an exit support scheme to help farmers who want to retire. We will, at the same time, be offering additional support to help new entrants into the industry.

2024 to 2028

The full roll-out of the three components of our Environmental Land Management offer will begin in late 2024, and we will make sure there is a smooth transition for those in existing agri-environment schemes or involved in pilots. By the end of 2024 we anticipate that legacy Basic Payment Scheme payments will have reduced by about 50%.

In 2024, following consultation, we plan to delink Direct Payments from the land. We will then phase the residual payments out, with the last payments made in 2027. Delinked payments will be calculated fairly, based on a reference period.

When we delink Direct Payments, we will stop using cross-compliance as the basis for regulation and enforcement or scheme compliance and will move to a new approach that we will co-design with the sector.

Part 3: How these reforms link with wider Defra and government policies

3.1 The 25 Year Environment Plan

The 25 Year Environment Plan published in 2018 sets out our comprehensive and long-term approach to protecting and enhancing our natural environment for the next generation. Through the three components of our Environmental Land Management scheme and the other policies in this document, we will make a significant contribution to the goals³ of the 25 Year Environment Plan. To be most effective, the policies in this document will need to work with and strengthen other proposals to deliver improvements to our natural environment, many of which are being progressed through the Environment Bill.

The Environment Bill introduces measures– including Local Nature Recovery Strategies, Biodiversity Net Gain and Conservation Covenants – to incentivise, steer and secure positive land management practices alongside the three components of our Environmental Land Management scheme.

These measures will to help lay the foundation for a national Nature Recovery Network. Further details on such actions and outcomes will be set out in our new Nature Strategy for England, due for publication in 2021. The Nature Strategy will outline how we will implement new global targets domestically and meet our 25 Year Environment Plan goals for nature.

Our Environmental Land Management scheme will also help deliver the benefits of England's Peat Strategy which is due to be published in 2020; by paying for sustainable peatland management and restoration.

In addition, Environmental Land Management will also play a role in supporting the “30by30” target, to protect 30% of England's land for biodiversity by 2030, through habitat creation and restoration, or securing long-term management and protection for wildlife-rich habitats.

³ Clean air, Clean and plentiful water, thriving plants and wildlife, A reduced risk of harm from environmental hazards such as flooding and drought, Using resources from nature more sustainably and efficiently, Enhanced beauty, heritage and engagement with the natural environment, Mitigating and adapting to climate change, Minimising waste, Managing exposure to chemicals, Enhancing biosecurity

3.2 Net Zero and climate change adaptation

The UK will host the United Nations Framework Convention for Climate Change Conference of Parties (COP26) in November 2021. We will use this opportunity to build momentum for the repurposing of agricultural subsidies to protect and enhance our biodiversity and build resilience against climate change across agriculture, land use and food systems. We will do this by creating an international 'coalition of the willing' to 'Build a Just Rural Transition'. We will lead by example drawing on the experience of the reforms we are pursuing in England.

Domestically, reaching our Net Zero target is one of this government's top priorities. We know that reaching Net Zero will be a challenge, requiring action across the economy. This will mean changes to the way land is managed to reduce agricultural greenhouse gas emissions. We will support the sector to make these changes through the schemes set out in this plan. Simultaneously, we need to protect and increase our carbon stores, increasing afforestation and peat restoration rates across England, whilst supporting the adaptiveness and resilience of these ecosystems to risks which may arise under a changing climate. All three components of our new Environmental Land Management scheme will help deliver on this.

The recent consultation on an England Tree Strategy, which closed on 11th September 2020, will inform the publication of our strategy early next year, setting out a long-term vision for the forestry sector and a range of activities to drive woodland creation, and protect and manage our woodland. Initiatives and incentives to increase the level of tree planting will be a key part of this strategy.

During the transition, whilst the Environmental Land Management National Pilot and Tree Health pilot are in operation, there will be a number of opportunities for land managers to plant and manage trees. For example, this includes a programme of work on trees to deliver through the Nature for Climate Fund. We will work across these offers to ensure everyone understands what is available to them for tree planting.

We will also be looking to share best practice and lessons learned, which we can then incorporate into our full schemes when they launch in 2024. For information on Forestry Commission woodland grants see our [guidance on woodland grants](#).

3.3 Supply chain and food policies

As well as reforming agricultural policy, we want to improve the position of farmers in the markets they buy and sell in. We will use powers in the Agriculture Act 2020 to address market failures that have led to farmers having a weaker position in the supply chain. We have consulted on mandatory dairy contracts and will act to ensure that trading practices are fair for farmers in all sectors.