

DEFRA's Environmental Land Management Policy Discussion Document

What does it mean for soil?

Defra has published (February 25) its Environmental Land Management Policy (ELM) discussion document (DD), outlining the government's vision for the concept of 'public money for public goods' – its replacement for the EU's Common Agricultural Policy. The scheme will reward farmers for actions that benefit the environment such as tree planting, habitat restoration and flood prevention rather than for the amount of land under ownership.

As promised by the Agriculture Bill, *soil management* features among the examples of actions contributing to the delivery of public goods - raising a number of practical questions about how these payments will be estimated and allocated as well as more philosophical ones regarding fairness and enforcement.

This is the first step in what promises to be an extensive design process, and Defra emphasise that the DD *is not intended to set out the detailed delivery arrangements* - and a more detailed consultation and impact assessment alongside tests and trials and other research will follow. Farmers and stakeholders have been invited to provide feedback on the DD based on twelve questions by 5 May.

The SSA has begun scoping some of the issues and the challenges that might impact on soil, for consideration at this or later stages of the process.

- *3-Tier approach:* Defra are proposing a three-tier scheme. Tier 1 focuses on, "*incentivising environmentally sustainable farming and forestry*", Tier 2 is "*designed to support land managers in the delivery of locally targeted environmental outcomes*" and Tier 3 is for "*delivering landscape scale land-use change projects*". For each tier, the paper describes possible actions that could be funded, how much collaboration between land managers will be encouraged, and how much they could be subject to local prioritisation.

Soil can be found across all three Tiers - clearly or obliquely. In Tier 1 as *Soil Management*, in Tier 2 via *natural flood management, peatland and education infrastructure* and in Tier 3 (Peatland restoration). A second Tier 1 category: *Field cover* also proposes actions (*cover crops, arable rotations, companion cropping, leys*) that have largely soil-specific benefits.

- *Outcomes vs actions:* The question of whether ELM should pay for actions or results/outcomes will be central to the scheme's success. It needs to strike a fine balance between demonstrating value for money to Treasury and the public without alienating participants with burdensome reporting.

The dilemma is particularly pertinent for soils where change is gradual and can be hard to prove. A blended approach has been mooted, whereby payments are made according to proxy indicators (including practices), with some money withheld and subject to a more thorough audit of change every few years.

- *Actions:* This stage of the process is not intended as a platform for thorough debate of the *actions* proposed – which for soil include *contour ploughing, avoiding cultivating/ trafficking on wet soils, soil organic matter content/ good soil structure*). However, initial observations highlight some of the legal and practical issues at stake: that trafficking that causes soil erosion and off-site problems should already be covered by statutory baseline, that contour ploughing and preferential tillage are contested for reasons of safety and efficacy – and there is no legal definition of 'wet' soil...
- *Regulatory baseline:* DEFRA is exploring whether *establishing compliance with relevant regulatory requirements should be an entry requirement for tier 1*. In the case of soils, the *regulatory requirements* at stake are the 8 Farming Rules for water. The rules themselves will be subject to a review in 2021, and may be re-packaged to fit around Tier 1. Given their importance for soils, it is crucial that these rules are not watered down as part of this process.

- *Transition:* Defra themselves seem to have in mind a built-in transitional period whereby regulations become the ‘*appropriate or effective lever*’ for some of the actions that tier 1 might pay for at the start of the scheme.

Given the low levels of awareness around the 8 Farming Rules – and among some farmers about soil in general, it makes sense to build an ‘amnesty’ period into the vision – enabling Defra to educate and inform about both best practice and statutory requirements, embed soil health in the Farm Plan architecture, upskill the advisory services and understand the resource needed for effective enforcement. At the end of this transitional period (5 years) *the actions we (will) pay (can) become the norm for all farmers.*

- *Scale/scope?* ELM needs to be designed to deliver maximum value for money. When it comes to soil, should the objective be to address areas of greatest damage, increase soil appreciation among all farmers, convert best practice into universal practice or all of the above? The experience of BPS is that many of the worst soil offenders were not subsidised and so not covered by cross-compliance. How can the reach of ELM be expanded to cover those who won’t depend on it financially?
- *Payments:* When it comes to payment allocation, Defra is leaning towards the *income foregone and costs incurred principle*, however, the parameters of this need to be clearly defined. When it comes to soils in Tier 1, should the focus be on carbon sequestration where asking farmers to build up carbon in the soils to levels that are beyond good practice may be a good example of genuine profit foregone?
- *Net Zero:* Soil’s contribution to Net Zero through carbon sequestration has been widely speculated on, not least because of the potential income to be drawn through ELM, however the evidence base is patchy, the practicalities are complex, and Defra are – so far at least – sceptical about its potential.

Net Zero should not distract from the wider environmental benefits of increasing soil organic carbon (biodiversity, flood management etc) however. In addition, potential gains should not distract from the more urgent need to halt losses. The DD refers to *conservation covenants* to ensure land use change protection, however there is no reason why these – or equivalent mechanisms shouldn’t be applied to Tiers 1 and 2 where soil organic carbon is at particular risk.

- *Private finance:* The interest in Net Zero for soils is made more acute by the prospect of a private sector, offsetting market for soil carbon – despite the challenges referred to above. Current protocols are considered either too costly to be adopted, or not rigorous enough to be valuable.

Defra are right to highlight private sources of income – and the need to keep an eye on this market as it emerges. At best this will be a complementary income source – at worst a source of confusion and distraction. In due course a blended/harmonised approach might be foreseen – one where the private sector pays for the climate change benefits of increased carbon (and carries the risk associated with permanence, saturation etc), while ELM supports the broader environmental benefits.

- *Guidance:* The document talks of *giving farmers clear guidance on what they need to do in order to deliver environmental outcomes* – achieved through written guidance and advisory services. When it comes to soil, the absence of consistent Guidance is notable – on topics including the importance of soil compaction and degradation, the role of sub-soils, the benefits of land drainage and the understanding and interpretation of soil carbon.

Consistency will depend on a centralised, authoritative reference point from which to guide not only the farmers, but the advisory services. Given the amount of time it will take to train these advisors, this needs to be addressed as a matter of urgency.

- *Finance:* A final note of caution. Decisions on how/why money is spent under ELM will (as with all things) be largely governed by the Treasury – and they will want to see clear evidence of delivery against flagship policies, especially the 25 Year Plan for the Environment. When it comes to soil, not only was it buried within the Plan (as an ‘asset’), but the indicator set and national soil monitoring scheme remain firmly at design stage. These need to be in place in good time if the nationwide – as well as on-farm case is to be made.

In conclusion, for ELM’s ambition to be realised, it needs to be understood as much more than just a payments mechanism but a blend of payments, education and regulation. When it comes to soil, this blend is particularly critical because the gulf between regulation and awareness is so great. ELM represents an opportunity to bridge this gap and kick-start a sea-change in appreciation of soil – a case study of the kind of generational behaviour change that CAP was never capable of.

Annex I: ELM 'Consultation' Questions:

6. Do you have any comments on the design principles on page 14? Are they the right ones? Are there any missing?
7. Do you think the ELM scheme as currently proposed will deliver each of the objectives on page 8?
8. What is the best way to encourage participation in ELM? What are the key barriers to participation, and how do we tackle them?
9. For each tier we have given a broad indication of what types of activities could be paid for. Are we focussing on the right types of activity in each tier?
10. Delivering environmental outcomes across multiple land holdings will in some cases be critical. For example, for establishing wildlife corridors or improving water quality in a catchment. What support do land managers need to work together within ELM, especially in tiers 2 and 3?
11. While contributing to national environmental targets (such as climate change mitigation) is important, ELM should also help to deliver local environmental priorities, such as in relation to flooding or public access. How should local priorities be determined?
12. What is the best method for calculating payments rates for each tier, taking into account the need to balance delivering value for money, providing a fair payment to land managers, and maximising environmental benefit?
13. To what extent might there be opportunities to blend public with private finance for each of the 3 tiers?
14. As we talk to land managers, and look back on what has worked from previous schemes, it is clear that access to an adviser is highly important to successful environmental schemes. Is advice always needed? When is advice most likely to be needed by a scheme participant?
15. We do not want the monitoring of ELM agreements to feel burdensome to land managers, but we will need some information that shows what's being done in fulfilling the ELM agreement. This would build on any remote sensing, satellite 35 imagery and site visits we deploy. How might self-assessment work? What methods or tools, for example photographs, might be used to enable an agreement holder to be able to demonstrate that they're doing what they signed up to do?
16. Do you agree with the proposed approach to the National Pilot? What are the key elements of ELM that you think we should test during the Pilot?
17. Do you have any other comments on the proposals set out in this document?