

Hill Farming Allowance

The English uplands designated as “Less Favoured Areas” (LFAs) provide a range of important public benefits. From 2010 onwards Less Favoured Area payments will be integrated into Environmental Stewardship. The Hill Farming Allowance provides dedicated support to extensive livestock farmers in English LFAs.

The English LFAs cover 180,000 hectares of agricultural land in upland northern and South Western Areas and areas of the Welsh border. This is nearly 20% of England’s Agricultural Land Area. The LFA land is divided into four classifications; lands within the moorland line; common land outside the moorland line; other SDAs and Other Disadvantaged Areas. SDAs referred to seriously disadvantaged areas. The calculation of allowances is based on basic area payments and optional environmental enhancements.

As and from 2008, the Hill Farming Allowance provides dedicated support to people whose farmland in England’s SDAs. In order to claim HFA, the following conditions apply:

1. A minimum of 10 Hectares of Eligible SDA forage land.
2. Keep eligible sheep and/or eligible cows which satisfy relevant criteria.
3. Stock the minimum of 0.15 livestock unit per hectare.
4. Undertake to keep at least 10 hectares of land situated in the STA and agriculture production community for five years

Payments are available for the first 350 hectares of eligible SDA land. Land in excess of 350 up to a maximum of 700 Hectares are paid for at half rate. No payments are made for land over 700 hectares. The STA land full rate is £35 per hectare. Enhancements may

be paid of between 5% and 10% under certain conditions. Farmers eligible for the HFA must file a declaration. From 2008 onwards the HFA has been incorporated into the SPS declaration.

Environmental Stewardship

Environmental Stewardship replaces previous agri-environmental payment schemes, and comprises three elements.

1. Entry level stewardship (ELS)
2. Organic level stewardship
3. Higher level stewardship

Environmental Stewardship is a voluntary scheme and offers payment to land owners who agree to manage the land for the certain desirable objectives.

ELS supports a wide range of environmental management options designed to deliver certain environmental objectives. The cross compliance requirements are identical to those required under the Single Farm Payment. ELS aims to tackle the environmental issues affecting the wider countryside, such as diffuse pollution, soil erosion, conservation of birds, in return for a payment per hectare. Farmers undertake to carry out environmental management measures on their land. Farmers have a range of environmental management options suitable to their type of farm.

Organic Level Stewardship options are designed to fit with organic management. OLS applicants are required to choose management options from a range similar to that offered to ELS entrants, but which are geared specifically towards improving the environmental performance of organic management systems.

ELS and OLS schemes will generally operate for 5 years. HLS undertakings will generally operate for 10 years with review in 2013. Payment rates for the schemes are set out and are based on income foregone and costs incurred by the farmers/land managers in complying with particular options and transition costs. Land receiving payments in the Single Farm Scheme may be entered into the ELS. Any ELS payments

are in addition to the SPS payments. The entry level stewardship handbook is available online at www.defra.gov.uk/erdp/schemes/els/handbook/default.htm

For ELS there is a single standard payment rate that is the same across England but with a lower payment rate in certain areas. The general rate is £30 per hectare but lower rate of £8 per hectare. The standard Payment Rate of £60 per hectare is applicable to OLS.

Higher Level Stewardship

Higher Level Stewardship is intended to be used in a few cases where the proposed ELS options are not sufficient. The HLS management the scheme is administered by Natural England. Higher level Stewardship offers a wide range of annual management options

HLS agreements can include agreements to carry out capital works. Minimum requirements for HLS include;

1. compliance practice under the Nitrates Directive
2. requirements regarding phosphorous pollution
3. minimum requirements for plant protection products

HLS management options could include the following:

1. conservation of natural wildlife
2. adaptation for farming methods around specific features on land to enhance biodiversity, maintenance, enhancement of landscape policy and character
3. promotion of public access and understanding of the countryside
4. natural resource protection
5. mitigating the effects of climate change

6. genetic conservation

7. contribution to the Bio Diversity Action Plan

First forestation of Agricultural Land.

Under the England Woodland Grants Scheme (EWGS), support is given for the establishment of permanent woodland on agricultural land. The EWGS grants for reforestation comprise a basic contribution to costs (the woodland creation grant) and additional contributions to cost

A “farmer” for the purpose of EWGS is a person who devotes a certain part of their working time to agricultural activities and derives at least 25% of their gross income from farming, taking account of all land they farm in England.

Environmental Standards are an essential component of the grant schemes and are enforced through a program of monitoring. . Environmental safeguards are enforced through contract monitoring procedures. The EWGS provides for forest environmental payments. These payments are made on certain undertakings on the part of the land owners.

This Guide is intended as an overview and broad outline of the matters covered in it. Its purpose is to inform and raise awareness. We are happy to offer specific legal advice on particular circumstances.

This Guide should not be relied on as a substitute for comprehensive legal advice with reference to the particular circumstances.

While we have taken due care in the preparation of this publication, we do not accept legal liability as a result of any reliance placed on anything in this Guide. The reader should rely only on specific legal or taxation advice.