

### Future Farming Resilience Fund

**Workbook and notes** 



Challenges for arable farming. (Session 1) Activity Talk with others and list any you think of
Your farm's three main challenges



#### Impacts of changes to direct payments (Session 2)

#### Defra published information - changes to Direct Payments

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

Tool link:

https://calculate-direct-payment-reductions.defra.gov.uk/value

#### Beyond 2024 - No published values - our estimates

Payment Band	2025	2026	2027	2028
<=£30,000	65%	80%	95%	100%
£30,000 - £50,000	70%	85%	100%	100%
£50,000 - £150,000	80%	95%	100%	100%
>=£150,000	85%	100%	100%	100%

Estimates for guidance only, as yet to be published by DEFRA



# Worked Example on 500 Hectares

500 Hectare Farm								
2020 BPS Payment	£115,000				ELMS			
Payment Band	2021	2022	2023	2024	2025	2026	2027	2028
<=£30,000	1,500	6,000	10,500	15,000	19,500	24,000	28,500	30,000
£30,000 - £50,000	2,000	5,000	8,000	11,000	14,000	17,000	20,000	20,000
£50,000 - £150,000	13,000	22,750	32,500	42,250	52,000	61,750	65,000	000′59
>=£150,000		L			,	,		,
BPS Reduction	£16,500	£33,750	£51,000 £68, 50% point	£68,250 ooint	£85,500	£102,750	£113,500	£115,000
BPS Payment BPS Payment (%)	£98,500 86%	£81,250 71%	£64,000 56%	£46,750 41%	£29,500 26%	£12,250 11%	£1,500 1%	£0 0%



#### How will my farm BPS reduce?

All you need to know is your current payment amount = £ <a href="https://calculate-direct-payment-reductions.defra.gov.uk/value">https://calculate-direct-payment-reductions.defra.gov.uk/value</a>

	Reduction from current	Estimated payment
Most recent (2020)		
2021		
2022		
2023		
2024		

Note that Defra have only released information on impacts to 2024; the final steps to 100% reduction in 2027 will be confirmed later.

For more information find the Defra - Farming is changing leaflet

The most regular updates on how changes are happening are released via the Defra blog...

https://defrafarming.blog.gov.uk/2021/06/23/how-farming-is-changing/

To help you consider the potential impact on your farm business of this change to direct payments it is useful to consider the impacts in relation to your farm profit...

Profit without BPS	
BPS as % of Profit Calculate as (BPS / profit) x 100	

Note that because of the very wet autumn 2019 and hence poor harvest in difficult year in 2020, we recommend looking at 2019 as a more representative baseline year.



#### **ELMS Component Parts**

#### Component 1 Sustainable Farming Incentive

Actions to achieve environmental outcomes

Choices grouped around environmental assets:

Open to all farmers

Payments likely to be fixed option based.

Viable & fair Encourage high level of participation

Countryside Stewardship++

#### Component 2 Local Nature Recovery

Locally targeted environmental actions and priorities

Encourage collaboration

Open to all land owners

Payments likely to be fixed option based in the main, but payment by results or public private sector funding is possible

#### Component 3 Landscape Recovery

Largescale and ecosystem recovery through long-term, land use change projects

This almost certainly will require collaboration.

Open to all land owners

Scope for private public funding and could include reverse auctions

#### Choices grouped around environmental assets:

Cropland management

Grassland

Livestock management

Tree & Woodland

Hedgerow & Boundary

IPM

Efficient Water use

Soil & nutrient management

Wildlife & biodiversity

Heritage assets

#### Options

Creating & restoring habitats

Connecting isolated habitats

Natural flood management

Species management

Rights of way

Navigation and recreation

infrastructure

Educational infrastructure

Geodiversity and heritage assets

#### Options

Large scale forest and woodland

Ecosystem restoration

Peatland restoration

Coastal habitats such as wetlands & salt marshes



#### Filling the BPS revenue gap

What can	you	see	in	your	cry	ystal	ball?
----------	-----	-----	----	------	-----	-------	-------

Opportunities for Stewardship / Environmental Land Management

Growing output? Increasing yield or quality

Reducing crop direct costs (seed, fertiliser, sprays)

Changing machinery use - reducing diesel, reducing depreciation

Reducing other fixed costs

Any impacts on rent? Other property costs?

Short-term grants / funding to facilitate change?



#### **Options for farming system change (Session 3)**

•		
Listen to the presentation,	talk with others	and list any you think of
Changes to crop manageme	ent (increasing p	roductivity, reducing inputs)
Changes to the farming sys	tem (new enterp	rises, new ways of working)
Changes beyond the farmir	ng system (diversi	ification, consolidation)
Options worth explor	ing further for	your farm

world-class experience skills and resources

#### Managing well-being (Session 4)

Mental health has been defined as "the emotional and spiritual resilience which enables us to survive pain, disappointment and sadness." It is a positive sense of well-being and self-esteem which influences how we think and feel about ourselves and others; how we see the world around us; how we communicate with others, and how we form and sustain relationships.





- A national charity with 400+ volunteers providing practical and pastoral support across England and Wales.
- Supports approx. 6,000 farmers and family members each year with issues including mental health, family disputes and animal welfare.
- Helpline (03000 111 999) open 7am to 11pm every day of the year as well as an e-Helpline (help@fcn.org.uk).
- Support and information around managing change, succession planning, diversification and more via FCN's FarmWell platform (farmwell.org.uk) and developed by industry experts.

Find time to listen to Doug Avery on the Shift Happens UK tour – via Farmwell website



The Little Book of Minding Your Head

https://www.yellowwellies.org/LittleBo
okOfMindingYourHead\_0421/?page=1



# RACTO

to save a life...

ell the person you're worried about them

eaching out to someone in distress could save a life - listen in a nonjudgemental way

person has a plan and the means to take or ending their life is not easy, but if a sking if they are thinking of suicide their own life, they need urgent help

are - stay with them

ry to stay calm and supportive

fer to help them: to call their GP, take (See the list of helplines on this card) them to A&E or contact the police.

emove the means - keys to chemical stores, firearms, drugs...

intention. However, these are some warning signs that we can all look out for and ACT to save a life: Not everyone who thinks about suicide will tell someone or give any indication at all of their



'recovered' Appearing



drug misuse **Alcohol** and



depression

lethal means Possessing



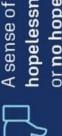
burden to others Feeling like a



or in **unbearable** Feeling **trapped** pain



talking about Frequently



hopelessness or **no hope** for the future



**Giving things** death



Social **isolation** or feeling alone



Feelings of away

not belonging

A history of

llı

self-harm



Dramatic

changes in mood

& behaviour



Engaging in **risk**y



# Change management – concepts and tools (Session 5)

This is just a taster of some ways of thinking that may be useful...

Some of these will be used to underpin the 1 to 1 visits.



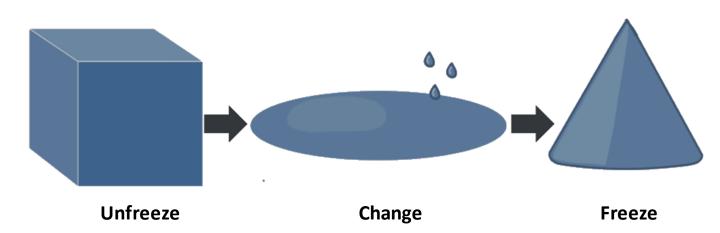
#### SWOT (strengths, weakness, opportunities, threats) analysis

Strengths (what we are really good at)	
care to the control of the control o	
Maaknassas (what limits us)	
Weaknesses (what limits us)	



Opportunities (building on our strengths, addressing some of our weaknesses, taking on the challenges)
Threats (external challenges)

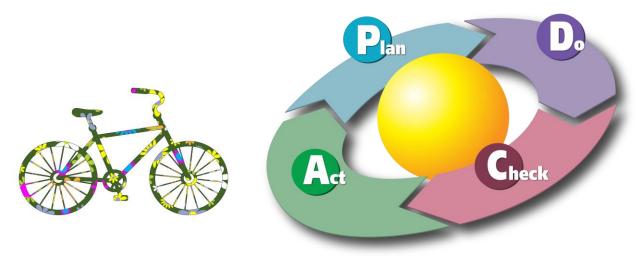
#### Lewin's change model



This model helps us to recognise that change is not a natural process; change involves loss as well as gain and so preparatory steps that identify barriers and engage all those who will be involved are an important part of the process.

What / who might need unfreezing in my farm change processes?

#### Always in the change process – getting on the Deming Cycle



This is a continuous review and cycle – which can also be viewed as a never-ending spiral supporting resilience and enabling improvement

Plan = unfreeze steps in Lewin's Model

Act = freeze steps – consolidating the change across the business The extra steps in this process are the testing (**Do**) and monitoring (**Check**) steps.

What changes to management have you already tried?

What sources of information do you already collect to monitor the effectiveness of change?

What information could you collect (at low cost) to monitor the effectiveness of change?



#### Other relevant resources

We will be adding to the resources available as we progress through the project and as you ask us to provide information on particular topics during the 1-to-1 farm visits. These resources will be made available through the NIAB FFRF webpage:

https://www.niab.com/future-farming-resilience-fund

#### **AHDB Business plan webinars**

Getting a step ahead using farm business management tools <a href="https://www.youtube.com/watch?v=8-ZMZuzC6rQ">https://www.youtube.com/watch?v=8-ZMZuzC6rQ</a>

An interactive conversation between Philip Dolbear and Martin Williams discuss how to develop a mutually beneficial relationship with your lender. The hour-long session aims to explain basic skills and tools which can be used to review, analyse and interpret your own farm business tax and management accounts.

AHDB provide a number of Farm Business Resilience tools. But note that AHDB are also providing support through the Future Farming Resilience Fund.

Farmers can sign up to the AHDB-FBR tool and use it independently, so if you don't want the service from AHDB (but through another provider) you must opt out as part of the FBR tool sign up process.



If you don't want to follow up with NIAB, consider other relevant providers.

You cannot access 1-to-1 support from more than one provider, this is checked by Defra against the SBI number.

Organisation and contact	Sector	Types of support available
ADAS resilience@adas.co.uk	Any	Individual, confidential farm business reviews and advice. Agricultural transition webinars. Business skills development workshops.
AHDB FarmBusinessReview@ahdb.org.uk	Grazing livestock & Cereals	1:1 review using the online AHDB Farm Business Review tool with support from an agricultural consultant and a group feedback meeting. Follow on options for in depth 1:1 support on cost control, business planning and carbon management.
Berrys will.davies@berrys.uk.com	Any	1-2-1 business advice including a bespoke business report, followed by a face-to-face meeting in order to give business confidence for the future.
Brown & Co defraffr@brown-co.com	Any	On farm 1-2-1 support from an experienced farm business consultant who specialises in your sector. You will receive a report on your business including benchmarking and an action plan. Farmer-to-farmer sharing through group learning sessions
Ceres Rural sebastian.murray@ceresrural.co.uk george.badger@ceresrural.co.uk	Arable	A farm visit with bespoke Farm Resilience Report, to help farmers understand the changes taking place and identify how they need to adapt.
Laurence Gould Partnership keith@laurencegould.com	Any	Group webinars organised in 4 locations across England. 1-2-1 video calls. On farm. visits.
Ricardo-AEA Ltd ffrf@ricardo.com	Any	The service provides business with access to: 1-2-1 reviews with farm business adviser; Supporting webinars; Online toolbox of resources and support packages.
SRUC neil.carter@sac.co.uk	Any	Information webinars - 6 general update meetings about the transition, and 5 more specialist meetings looking in more detail at certain topics. 200 1-to-1 baseline carbon audits (delivered remotely) - aimed at businesses looking at carbon for the first time, wanting to find their baseline. Also providing 30 carbon management plan visits (delivered face to face) - aimed at businesses with at least 2 year's worth of carbon audit data already wanting to look at the next step i.e. mitigation measures for the next 5-10 years.



## NIAB 93 Lawrence Weaver Road Cambridge CB3 OLE, UK

Tel: +44(0)1223 342200 Email: <u>info@niab.com</u>