

Briefing: The need to support action on farm diversity

There are far-reaching social, economic and environmental benefits of a diverse farm sector. Action is needed to reduce further loss of diversity of scale and type of farms in England. It is important to avoid a polarised debate on farm sizes but also to ensure these issues are discussed and solutions found to ensure a healthy and diverse farming and rural future.

The case for support

Over the last few decades, the number of farms in England has declined dramatically: 128,000 farms were lost from 1950-1980, and a further fifth (21.3%) of the remaining farms were lost between 2005 and 2015. This is not an inevitable trend - England has lost the greatest percentage of farms (48%) compared to other EU countries, while Irish and Scottish farm numbers have increased¹. This is disproportionately due to the decline of farms below 200ha; with the numbers of the smallest farms declining the most.²

A range of farm sizes and types is vital to ensure a thriving, resilient farming industry, attractive to new entrants, supporting a healthy countryside. When this diversity is lost, precious national assets can also be lost.³ This includes farming jobs, skills⁴ and livelihoods; opportunities for new entrants; vibrant rural economies and communities; valued landscapes and features, beautiful tourist destinations; and the opportunity to use farmer-led 'whole farm' approaches that deliver benefits for soil, wildlife and pollinators, water, carbon and the environment.

All sizes of farm deliver benefits and it is important to have a range of farm sizes nationally. Some studies have identified the benefits of this diversity in farm sizes and what could be lost if smaller farms continue to decline:

- Surveying by the University of Exeter suggests that smaller farms employ more labour per unit of area.⁵ Another study of 69 farms below 20 hectares by Coventry University showed employment well above the average number of workers: 3.2 full time equivalents (FTE) per hectare compared with the UK average of 0.026 FTE per hectare.⁶
- Productivity per hectare has been shown to be high on the smallest farms.⁷ UK small farms have been shown to be twice as productive as larger ones⁸ and tend to produce higher value products than larger, commodity oriented, farms.⁹
- A report by CPRE¹⁰ identifies several ways in which lost farm diversity means an impoverishment of the production and supply of food sold locally as well as regionally.
- The loss of access for new entrants and progression in farming, through the decrease in farm numbers, was recognised in the Coalition Government's Future of Farming report in 2013.¹¹
- There is anecdotal evidence that farmers often play a vital role in rural communities, for instance in contributing to parish councils or using equipment to help with emergencies such as extreme weather.
- There is a correlation between a less varied countryside, impact on wildlife and loss of farm diversity. Simplification and specialisation grows as farms become larger and more complex

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businesses leading to lost features and habitats.¹² Research also shows the smallest farms (below 20ha) hold the highest concentration of parcels of deciduous woodland, semi-natural vegetation and extensive grass.¹³

Economic pressures, and the lack of specific political and policy support in England coupled with internal family and structural drivers are combining to remove small and medium farm businesses from the matrix of farms across England. There is a risk that poorly designed policy as we exit from the European Union and the Common Agricultural Policy could drive further loss.

The case for action

New farm policy is being developed during 2018 as a result of the decision to leave European Union. Without support being included as an objective in a new Agriculture Bill and policy, the loss of small and medium sized farms will continue or even accelerate. Farm businesses may find the loss of direct payments makes them unviable unless the replacement scheme provides sufficient income and explicitly takes into account needs of small to medium-sized farms.

The vision for farming following departure from the EU should be of an innovative and dynamic farm sector – not set in aspic, but able to become more diverse and open to new ideas. It would have more farms, diverse in scale and type, an increase in new entrepreneurs to farming and action to address farm amalgamation which could inhibit such growth. The assumption that the only way to survive against a concentrated groceries market is to get bigger and swallow up neighbouring farms can be challenged with the right support and regulatory framework. This vision must be represented in the new Agriculture Bill (2018) and measures outlined included in the new policy.

What needs to happen?

We have a chance now to design agriculture policy in a targeted manner to fund greater public benefits from a farmed landscape and help deliver wider outcomes. The debate about these – the public money for public goods – should encompass the social benefits not just environmental ones.

We accept that farms need to expand or shrink over time but challenge the continued concentration of tenure/ownership across the industry as a whole. We request specific action to increase the opportunities for people to stay in business, and to develop viable new farm businesses to maintain and increase farm diversity and viability. **This should be a core purpose within the new Agriculture Bill.** To achieve this objective Government should introduce specific measures including (but not limited to) the following:

- **Redistributed support - Investigate the best way to the fairest and most effective distribution** of future support – such as a limit or tapering of support – so that the farm support budget is more evenly shared between larger and smaller farms.
 - This recognises the economies of scale and higher trading incomes that larger farms enjoy, and the consequent competitive disadvantage suffered by small and medium sized farms; this is despite their potential to offer many valued public goods for which there are no markets. Support needs to be de-coupled from size – there is a danger that any new public benefits scheme would otherwise just continue the current situation of the largest landowners receiving the largest payments.
 - Use some of this budget to develop measures specifically designed to support the productivity and sustainability of small and medium size farm businesses.

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- **Targeted support - Ensure eligibility** for on-going support (agri-environmental, rural development and so on) includes all active farmers, including during the precarious period of transition to a new system. To keep administrative costs to a minimum, payments for farms under a certain threshold could be awarded as multi-year contracts.
- **Recognition in new agri-environment payments of the system benefits to the environment of whole farm, ecologically based approaches such as organic.**
 - These are likely to appeal to smaller farms unable on economic grounds to take large areas of land out of production:
 - While wildlife conservation may benefit from an ecosystem or landscape-scale approach, other ‘whole farm’ benefits arise from adopting a more diverse and integrated, agro-ecological¹⁴ approach. This is often easier on small and medium scale mixed farms and market gardens.
- **Directed research and development** - Invest in supply chain innovation for smaller businesses so they can remain commercially viable – i.e. steps to support accessible diverse markets, processing facilities (such as storage, abattoirs), distribution hubs and low-cost accreditation to meet buyer requirements. This could be done through:
 - Funding local facilitators to coordinate farms in a group.
 - Local Enterprise Partnerships (LEPs) or LEADER/Local Action Groups could hold a specific rural remit and be tasked to deliver for diverse farms, shorter local supply chains, and infrastructure needed to support farm businesses.
 - Developing programmes to increase and improve ability of smaller and medium farms selling through local and domestic markets.
- **Concentrating investment** - Provide grants or low/no interest loans - easily available and well-advertised - targeted to smaller farm business sizes to deliver specific tools to maintain or boost important sectors and approaches including:
 - sustainable horticulture (especially urban and peri-urban to provide perishable goods nearest to markets); mixed farming; new entrants; agroforestry; succession associated with new farm ownership (i.e. not for farm amalgamation); sustainable orchard planting; on-farm education initiatives; mixed farming; and existing farms creating significant step changes towards direct marketing, higher animal welfare, increased sustainability and delivery of public goods.
 - Schemes must be simple, low level, multi-annual and accessible to small businesses with limited administration capacity.
- **Delivering training, mentoring and advice** - Fund delivery of affordable training, advisory services and farmer-to-farmer mentoring to provide a coherent joined up service for smaller farms to gain support in business planning, including succession planning, and in delivery of public goods such as access, landscape features, and nature protection.
 - A goal should be to increase productivity sustainably by creating more efficient ‘circular’ mixed farm systems using innovative techniques developed for intensive, viable yet diverse and sustainable smaller farms.

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- **Data gathering and monitoring** - Present annually and regularly monitor better data on size, structure and analysis of the changes in farm numbers and diversity in England.
- **Review issues of access to land** – commission a review of issues that affect farm viability and new entrants particularly including land prices, new models for tenancy, security of tenure, planning issues and loss of county farm estates.

Other policies which profoundly affect farm incomes, diversity and viability include regulating the groceries market (and wider supply chain) to achieve fair trading practices, food standards and trade policy. These are covered in other policy work by public interests groups.

Conclusion

Farms of all sizes make a distinctive contribution to the quality of the countryside. The loss of farm diversity is a concern and solutions must be found to ensure a healthy and diverse farming and rural future.

Associated statement supported by: CPRE, Family Farmers Association, Friends of the Earth, Landworkers Alliance, New Economics Foundation, Sustain: the alliance for better food and farming, Tenant Farmers Association

Note: Given the scope of issues covered, the organisations supporting the Statement on Farm diversity do not necessarily endorse everything in this document.

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¹ CPRE. *Uncertain Harvest: does the loss of farms matter?*, 2017, Table 3, p.9

² CPRE. *Uncertain Harvest: does the loss of farms matter?*, 2017, Table 2, p.8

³ see evidence in Winter, M. and Lobley M. 2016 Is there a future for the small family farm in the UK? University of Exeter Report to the Prince's Countryside Fund, June 2016 and the CPRE reports '*Uncertain harvest: does the loss of farms matter?*' and '*New Model Farming*' drawing on DEFRA farm data, academic surveys and case studies.

⁴ As smaller farms employ more labour per unit of area. Winter, M. and Lobley M. 2016 (Table 3.1) page 37

⁵ Winter, M. and Lobley M (2016), p54.

www.princescountrysidefund.org.uk/downloads/research/is-there-a-future-for-the-small-family-farm-in-the-uk-report.pdf

⁶ Laughton, R, *A Matter of Scale* – a study of the productivity, financial viability and multifunctional benefits of small farms (20 ha and less), 2017. Landworkers' Alliance and Centre for Agroecology, Coventry University

⁷ Laughton, R, *A Matter of Scale* (2017)

2017. Landworkers' Alliance and Centre for Agroecology, Coventry University

⁸ Eurostat *Statistics in Focus, 18/2011*. Brussels: European Commission. 2011

⁹ CPRE. *Uncertain Harvest: does the loss of farms matter?*, 2017, p14

¹⁰ CPRE, 2017 *Uncertain Harvest: does the loss of farms matter?*

¹¹ <https://www.gov.uk/government/publications/future-of-farming-review-2013-report>

¹² 'Postwar changes in arable farming and biodiversity in Great Britain', Journal of Applied Ecology Issue 1, pp157-176, February 2002, Landscape diversity section <http://onlinelibrary.wiley.com/doi/10.1046/j.1365-2664.2002.00695.x/full>

¹³ Lobley, M. (1997, 2000) cited in Winter, M. and Lobley, M. 2016, pp 49-51

¹⁴ There are three typical ways to define agroecology: as a set of farming practices, as a scientific discipline and as a social movement. See here for a briefing note on agro-ecology definitions <http://www.arc2020.eu/agroecology/briefing-note-agroecology/>