

The Andersons Centre – Latest News Update

01 May 2009

Grazing Agreements and the NVZ Rules

It is the time of year when a lot of land is being let on grazing agreements - promoting a number of questions, especially on how cross-compliance is treated. This is because, under a licence, the landowner is almost always claiming the SPS, and is thus responsible for ensuring cross-compliance. But with a grazier in occupation of the land, their actions can have an effect on the management.

The tightening of the Nitrate Vulnerable Zone (NVZ) rules have particular relevance to the situation. There seems to specifically be a problem with the record keeping requirements and limits.

On a true grazing agreement, the grazier should just be buying the grass crop, so theoretically, the application of slurry, manure and manufactured fertiliser should be the land provider's responsibility anyway – they will know what is going on and will keep appropriate records. In practice, however, we know that many graziers apply some fertiliser. It seems to us that this will have to be more carefully managed.

Perhaps a bigger issue, however, is the N loading calculations and limits. We have come across some cases where the grazier has included the land taken on grazing agreements within their livestock manure N loading calculations. Not least because they want to 'extensify' to get below the 170 kg N/Ha limit. We believe this is incorrect. Presuming the land provider is claiming the SPS, he is responsible for cross-compliance, and therefore he should be complying with SMR 4 and doing the manure loading calculations.

From the grazier's perspective, he can still extensify, but he must do this by taking animals off the calculation for his home holding, rather than adding land on. The animals that are discounted obviously being the ones using the land under the grazing agreement. However, this may not always be easy to calculate when stock is being moved to and from keep (sometimes on a weekly basis).

From the landowner's perspective, he will have to calculate his own N loading figures (and have them ready for inspection should the RPA/EA call). He will need (accurate) livestock numbers to be supplied by the grazier. On some 'arable' estates this will require paperwork that otherwise simply wouldn't be required - often just for a few grass paddocks. The potential loss (3%) of a large SPS if getting it wrong would also be disproportionate.

We are told the RPA/EA are looking into this issue, and hope to be able to provide more guidance soon. This reinforces the need for all grazing

agreements to be carefully constructed (no matter how tempting 'handshake' deals may seem). They need to clearly set out the responsibilities of each party. One remedy is often to make the grazier responsible for indemnifying the landowner if the grazier's actions cause a reduction in the landowners SPS. This is not foolproof however. If the landowner's SPS is large, and the graziers business is small, there may not be the financial ability to fully compensate for breaches.

Please contact us for further information and advice on grazing agreements and the cross compliance rules.

The ANDERSONS Centre

Old Bell House
2 Nottingham Street
Melton Mowbray
Leicestershire
LE13 1NW

01664 503 200

enquiries@theandersonscentre.co.uk

www.theandersonscentre.co.uk