

## The Andersons Centre – Latest News Update

February 2009

### Set Aside Replacement

There has been a lot of talk recently on how DEFRA is planning to deal with the environmental effects of the end to set-aside. Set-aside was always intended as a supply mechanism but it also provided considerable benefits to wildlife. Issues have recently been coming to a head as farming and environmental groups clash over the proposals ahead of further discussions expected at the end of this month.

To refresh, a High Level Group chaired by Sir Don Curry with representatives from the NFU, CLA, Environment Agency, Natural England and RSPB was set up to look at measures to mitigate the environmental losses now that set-aside has ended. An initial report was completed in July of last year which recommended that a certain proportion of land should be in 'environmental management' (EM). Further discussions by the High Level Group are taking place on the proposals for enforcing this through cross-compliance (known as XC1).

Final details are not known. Although the measure was originally intended to be introduced for the 2010 year (i.e. plantings in autumn 2009), there are indications that it could be delayed by a year. Once final proposals have been thrashed out, a three month public consultation is expected to commence in March.

We currently understand the proposals, a proportion (expected to be in the region of 3-5%) of all 'cultivated' land will need to be in 'environmental management'. The definition of what counts as cultivated land is not clear, and is unlikely to be the same as the old arable definition for set-aside. There will be a number of options available for compliance;

- buffer strips,
- leaving land fallow,
- game strips,
- bird plots,
- over-wintered stubbles,
- low input cereal or oilseed rape followed by stubbles etc

Land already in ELS options may be able to count towards the percentage. But to avoid the issue of double funding, those in ELS schemes will have to 'top-up' their ELS schemes by undertaking additional land management requirements.

*As under the proposals all this would be a new cross compliance measure, failure to comply would result in a loss of some of a claimant's Single Payment. On a practical level, it is possible that the new policy is going to cause huge confusion to farmers. Set-aside was easily understood as it simply said 'don't crop x% of your arable land', and pre-dated Environmental Stewardship and cross-compliance. Environmental Management brings in a whole new definition of 'cultivated land'. And, with all the various options, it looks a lot like the Entry Level Scheme. Land managers are likely to get very confused about whether land is being managed for cross compliance or ELS. And this is before they get to all the options that combine elements of both!*

*Not surprisingly, environmental interest groups are happier with the proposals than the farming lobby who think measures should be put in place through the Environmental Stewardship Schemes. The main argument is that many will not re-new their ELS agreements when they come to an end, because farmers will simply swap ELS for XC1 rather than take more land out of production elsewhere on the holding. A further worry is the additional paperwork for farmers and how the new cross compliance measures will be policed.*

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