

PRESS RELEASE



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From Tom Tyrwhitt-Drake - BCM

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Many farmers unlikely to renew ELS agreements

The recent decision to withdraw the ability to use management plans to count for points scoring ELS was initially seen as disappointing insofar as DEFRA had effectively reneged on agreement they already had with farmers. However, the inference was this was not really a major problem and that most farmers would merely add more point scoring options to their management plans.

However, it is becoming clear that most farmers so affected, in the midst of major increases in arable commodity prices, are seriously considering ceasing their agreements. Indeed, livestock farmers are now looking very closely at their feed costs and are bringing back into production any arable land they have to ward against large increases in the cost of purchased feed.

Tom Tyrwhitt-Drake of BCM Bays Curry McCowen in Sutton Scotney comments "This turnaround decision by DEFRA looks as though it may have potentially far more effect than at first thought. By not renewing agreements started since 1st January 2007, farmers get to receive the income due for that period, but also are able to cease the scheme as opposed to the five year commitment they had. Therefore not only is the scheme going to cost DEFRA no benefit, but they are going to lose any future environmental benefit that was intended. A cynic may suggest that the outcome is desirable for DEFRA – allowing them to significantly reduce future commitment to expenditure at a time when their budget is under serious pressure. What is clear is that a proportion of the significant environmental benefit of the ELS is to be lost."

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