

Agricultural payments and Diversification Case Study



Mike Tristram is Managing Trustee of the Sompting Estate, which includes c.1400 acres of land in West Sussex within the South Downs National Park.

“The Single Payment Scheme (SPS) is a relatively stable factor in farmers’ annual income which helps to keep them in business. Continuity in farm occupancy is important for supporting knowledge, relationships, conservation and productivity.

Local weather conditions and fluctuating market prices affect farm profits so the stability provided by SPS is really important. The Sompting Estate’s tenant farmers have diversified on a small scale through activities such as horse livery. In our sensitive landscape, however, the opportunity to stabilise incomes through diversification is limited, so our

farmers’ core business of mixed livestock and arable farming has to be profitable, which SPS helps with. Our two farms within the National Park are in the environmental stewardship Higher Level Scheme (HLS) which complements SPS, helping with the extra cost of wildlife-friendly farming.

Landowners like the Sompting Estate, in partnership with our tenants, make an essential contribution to the rural economy and food security. We reinvest rental income in repairs, developing infrastructure, conservation, woodlands, water, traditional buildings, and occasional small-scale diversification into commercial lets, although the payback on the cost of improvements to traditional buildings is typically very long. Some of our old farm buildings were too costly to convert and have been saved by an Historic Buildings grant from the HLS. Grants such as these can help us achieve both our own and the National Park’s conservation objectives.”

Source: State of the Park Report (2012)



Teachers notes

This case study has been taken from the state of the park report(2012). It can be used to support both KS4 and A level syllabuses in looking at Land management in particular it focuses on how diversification, the single payment scheme and stewardship schemes are currently used to support landowners.

It offers opportunities to explore the meaning of the terms diversification, stewardship and single payment scheme. It also looks at how the special qualities of the national park are supported by these payments. For more information on the special qualities of the South Downs National Park please see the main South Downs National Park website. For information on a farm or estate that you might visit please see the clickable map within the learning zone.

The Single Payment Scheme

The Single Payment Scheme (SPS) provides a set payment of around €250 per hectare (2011 figure) for eligible land that is kept in good agricultural and environmental condition. The Rural Payments Agency is unable to provide information on the current area of land registered and the amount of Single Payment coming into the National Park, however it was estimated in 2000 that the government was spending over £21.5 million per annum on crops and livestock.

Diversification

Around 75 per cent of holdings in the south east (including London) have diversified into other activities. In 2010, the NFU estimated that around half of the farms in the National Park had diversified. The type of diversification enterprise varies widely from horse liveries to business units, fishing lakes, camping, storage and wedding/conference venues.

One impact of climate change has been the increase in vineyards. Over the last 20 years, there has been an increase in the number and size of commercial vineyards and wineries across the south east, to approximately 80, of which an estimated 16 are within the National Park, covering approximately 120ha (growing to over 200ha in the next year or so). The soils and weather patterns on the south facing slopes of the chalk downland are ideal for grape production, and wine production is a viable diversification route for some farmers and land managers. Most grapes are made into still and sparkling white wine but red and rosé are also produced. A further 5 vineyards are very close to the boundary of the National Park.

Agri-environment schemes

Agri-environment schemes fund farmers and land managers to deliver effective environmental management on their land which help to maintain the special qualities of the National Park. Environmental Stewardship builds on earlier initiatives such as the Countryside Stewardship and Environmentally Sensitive Areas schemes). Entry Level Stewardship (ELS) is the first of these schemes for which all farmers are eligible if they carry out enough environmentally beneficial management measures. The National Park is also a target area for Higher Level Scheme (HLS) funding aimed at providing specific environmental benefits such as measures to increase farmland bird numbers.