

# UK farming scheme incentives could lead to loss of valuable grassland habitats



Action needed to avoid unintended adverse impacts on biodiversity through herbal ley payments

National Landscapes Association, with the National Landscapes Farming and Land Use Panel

Briefing November 2023

## Executive summary

The National Landscapes Association is concerned that current payment rates for herbal leys provided under the Sustainable Farming Incentive (SFI) will lead to the inadvertent loss of species-rich grassland and the loss of grassland that has the potential to become species-rich. We believe both grassland habitats are crucial for nature recovery and should be protected under SFI, not threatened. We are also concerned that, unless appropriate safeguards are introduced, the widespread introduction of herbal leys could have an irreversible impact upon native grassland plant genetics and on wading bird and fungi populations.

In the statement below, we will set out:

- a description of the important grassland habitats we believe could be under threat from the current SFI herbal ley provisions;
- SFI payment rates for herbal leys and the potential impact on land management decisions
- our concerns for plant genetics and wading bird populations;
- potential amendments for Government to consider;
- the role of the National Association for AONBs and the expert land management advisory role that AONB teams provide across the UK.

# The importance of semi-improved grasslands

Semi-improved grasslands are an increasingly rare and threatened habitat across the country. Semi-improved grassland covers a much larger land area than unimproved grassland and can be species-rich or species-poor.

Species-rich, semi-improved (also known as Good Quality Semi-Improved) grasslands include culturally significant wildflower meadows and support significant numbers of invertebrates, birds, reptiles, mammals, often rare plant species, and critical and globally important species of waxcaps and other grassland fungi. **These species-rich grasslands are vital reservoirs of biodiversity and provide core habitat from which to build towards nature recovery.**

**Species-poor, semi-improved grasslands are sites that have lost their wildflowers but retain their native grasses and in some instances grassland fungi as well as low soil fertility. These sites have the potential to be restored to more species-rich grassland and priority habitat and at low cost.**

Adding fertiliser or removing native grasses through re-seeding and ploughing, effectively removes this potential for restoration. It is imperative we do not lose the opportunities presented by semi-improved grasslands and their undisturbed soils for recovering nature (including below-ground species and soil habitats), for drawing down and storing carbon, and for improving the water holding capacity at both a site and a landscape scale.

Protection for some species-rich semi-improved grassland may be afforded under Environmental

Impact Assessment (Agriculture) regulations, which protect grassland which has been mapped on the Priority Habitat Inventory (PHI). However, we know that species rich grassland is under-recorded in Natural England's PHI and in other recording systems.

## SFI herbal leys (SAM3) payment rate

**Herbal leys are an excellent option when used in the right place**, since they can improve biodiversity, soil health and infiltration on species-poor, improved, permanent grassland. We understand that this is the policy intention behind the Sustainable Farm Incentive (SFI) SAM3 payment option, which pays land managers at £382/ha based on an income foregone calculation.

**By comparison, species-rich grassland, which has far higher environmental benefits than herbal leys, is currently delivered only through Countryside Stewardship (CS) under the GS6 payment option.**

This pays land managers significantly less at £182/ha and CS is also a more lengthy and complex process than SFI. While we understand that these rates are based on income foregone calculations (which do not recognise the value of above- or below-ground biodiversity, soil carbon, clean water etc.), it seems somewhat perverse that these and other high environmental benefits associated with semi-improved and unimproved grasslands are played down and remain undervalued.

The current definition used by SFI to check eligibility for whether a parcel of land is “improved grassland” and therefore eligible for the SAM3 herbal ley option allows considerable scope for interpretation and manipulation. Land managers’ choices will be influenced by the current financial incentives from Government. The likely impact of this is:

- **For unimproved grasslands, land managers may choose to begin adding inputs (fertiliser, lime, etc.) so that it becomes semi-improved grassland and within the eligibility criteria for SFI SAM3;** and then plough and seed under the SFI herbal ley option. The result here is that a long-term, high-quality, unimproved grassland habitat along with its associated undisturbed soils has been lost in a very short space of time, transformed into a much lower-quality, improved grassland. To assume the EIA regulations are an adequate safeguard protecting semi-improved and unimproved grasslands over or under the two-hectares size threshold but not listed as priority habitat is a considerable risk.

- **For semi-improved grasslands, which already have some inputs, an even smaller shift in input levels will be all that is required for the land parcel to meet the eligibility criteria for SFI SAM3,** leading again to ploughing and seeding under the SFI herbal ley option.

- Where that semi-improved grassland already contained important/rare plant species then these will have been lost, transformed into a much lower-quality, improved grassland.

- Where that semi-improved grassland had low soil fertility and native grasses, the opportunity to enhance biodiversity will have been lost, again transformed into a much lower-quality, improved grassland.



Pyramidal orchids, Cotswolds National Landscape © Anna Field.

# Concerns regarding plant genetics and wading bird populations

We are concerned that widescale introduction may have a negative impact on plant genetics and wading bird populations. **We would urge the Government to take a precautionary approach to prevent harm by introducing controls on where herbal leys can be created:**

- Where commercial herbal leys are sown near to native, species-rich grassland, there is **high potential for cross-pollination of our native clovers and vetches with introduced commercial cultivars**. There is a risk that this will lead to hybrid plants and the gradual loss of native species from our iconic lowland and upland meadows. As an example of the impact that this dilution of the native gene pool could have, we give the example of the impact that Spanish bluebell has had upon native bluebell populations. Cross pollination would be expected to be more frequent and more rapid if herbal leys are allowed to be planted side-by-side with our most important species-rich grasslands.
- Where semi-improved grassland habitat in upland areas may be converted to herbal ley, we are concerned that the suitability for herbal ley to support wading birds is currently unknown. Wading bird populations are in a precarious state, with upland areas representing their last strongholds. **SFI financial incentives could lead to rapid transformations of significant areas used by breeding wading birds**. If subsequent research demonstrates that herbal leys are less suitable for wading birds than semi-improved grassland, then it will be too late to reverse any impact on wading bird populations.

- As with birds above the same would be true of waxcap grasslands. **Further changes to these grasslands could destroy completely the waxcap and other fungi of interest**. Significant lowland, upland and upland fringe areas within AONBs and National Parks support globally important waxcap grasslands with associated priority species, along with other IUCN Red-Listed fungi.
- More broadly, **the breeding wader habitat CS option (UP2, £121/ha) is not competitive** with more attractive grassland options provided under SFI and could lead to the situation where land managers put land into an easier-to-manage option rather than the option that has highest biodiversity gain, which could also lead to impacts on breeding wading birds.



Ruff, *Philomachus pugnax*. Creator: Psubraty, 2019, @ Pixabay.



# Potential solutions for UK Government to consider

The main policy objective of SFI herbal leys to move species-poor, high-fertility, improved grassland (e.g. rye grass-dominated swards) to grassland with more diverse flora and improved soil health is welcome. There are a number of straightforward mechanisms that Government could implement to ensure this valuable policy objective does not cause unintentional environmental harm on other important habitats:

- **Set the CS payment rates for both restoration/enhancement and long-term management of native, species-rich grasslands to significantly higher than the SFI herbal ley payment rate.** This would recognise the work of the land manager in conserving these important habitats and go a long way to preventing a decline in species-rich grassland quality along with a decline or complete cessation of grassland management practices (e.g. hay cutting and/or grazing).
- **Protect existing, valuable grassland habitat with a robust mechanism that ensures inappropriate**

**options cannot be chosen by land managers.** At a minimum this means ensuring that grassland priority habitat (as mapped on the PHI) and good quality, semi-improved grassland (from MAGIC) are not eligible for SFI/CS options that would reduce their biodiversity. Consideration should also be given to revising the current EIA regulations by, among other things, reducing the two-hectares threshold to 0.1 hectares and amending the current definition of 'uncultivated land' in the regulations to include grasslands reaching priority habitat or good quality, semi-improved status within 15 years.

- **Introduce precautionary controls so that applications under SFI that create herbal leys take into account the proximity of a site to species-rich grassland and whether the current grassland supports wading bird habitat.** The potential impacts of SFI SAM3 policy on breeding wading birds and cross-pollination could also be further mitigated through funding timely research in these areas.

## About National Landscapes Association

We are a registered charity that supports the mission to conserve and enhance natural beauty in National Landscapes and other protected areas. National Landscape teams across the UK work to achieve a sustainable balance of priorities at the landscape scale. One of our key missions is to support and develop a network of ambitious National Landscape teams and partnerships that have a strong collective voice and a positive impact on the places for which they care.

## About this Briefing

National Landscapes Briefings offer a summary of key findings and recommendations arising from National Landscapes' action and insight. This Briefing Note has been led and informed by the Farming and Land Use specialist panel of representatives from across the National Landscape network.

Recommended citation: National Landscapes Association (2023) *Adverse environmental impacts on birds and plants through UK farming scheme incentives*. Brief (Nov 23). Shrewsbury: National Landscapes Association.

© National Landscape Association, 2023, openly licenced via the [CC BY-NC-ND 4.0](https://creativecommons.org/licenses/by-nc-nd/4.0/) International Public License.