

Farming with Nature Policy

REGULATORY IMPACT SCREENING

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Department of

**Agriculture, Environment
and Rural Affairs**

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INTRODUCTION

1. The United Kingdom leaving the EU and the Common Agricultural Policy (CAP) has been the most significant change in policy affecting the agri-food sector in over 40 years. It means that our policies no longer have to be constrained by the existing EU rules and gives us the opportunity to develop new approaches and support systems which better address the needs of Northern Ireland agriculture and the environment.
2. A new Sustainable Agriculture Programme (SAP) is being co-designed with the Northern Ireland agricultural industry and other key stakeholders to target farm support to meet the bespoke needs of Northern Ireland. The overall objective is to transition to a more sustainable farming sector by implementing actions, measures and schemes that benefit our climate and environment while supporting our economically and socially significant agri-food sector.
3. The SAP will have a key role in the delivery of a number of the Programme for Government 2024-2027 priorities together with the Minister's key priorities through striving to achieve its four outcomes of improved environmental sustainability, enhanced productivity, stronger resilience and an effective functioning supply chain.
4. Tackling climate change is a key priority and critically important for the agriculture sector which is both most affected by the consequences of extreme weather events, whilst also having a positive and constructive role to play in reducing our greenhouse gas emissions.
5. The Schemes being introduced as part of the SAP will be essential levers in contributing to Northern Ireland's statutory obligations under the Climate Change Act (NI) 2022 and achieving a genuinely Just Transition. Their implementation and delivery will be vital to meeting the targets set out in the forthcoming Climate Action Plan for the NI Agriculture Sector.
6. A public consultation on Future Agricultural Policy Proposals was launched on 21 December 2021 and closed on 15 February 2022. Responses to this consultation helped redefine our agricultural policy and target support to meet our local priorities and needs more effectively to develop a future sustainable agricultural industry. Policy decisions announced on 24 March 2022 in relation to a Farming with Nature Package were:
 - The Department proceeds to develop the Farming with Nature Package through co-design with stakeholders and in line with the principles stated in the consultation document.

- **Eligibility and minimum land area.**
 All land managers with 3 ha or more of eligible agricultural land who meet the scheme requirements will be eligible to participate in the Farming with Nature Package. This includes land under conacre and common land. The following will become conditions of schemes under the Farming with Nature Package:

 - (i) Compliance with the new Farm Sustainability Standards; and
 - (ii) Participation in the Soil Nutrient Health Scheme.

- **Payment Cap.**
 In principle, a cap on the level of payment available under the Farming with Nature Package will be applied. Work to progress on the detail of a cap, including the appropriate level, as elements of scheme design, such as agreement length, are developed.

- **Outcome based approach.**
 Stakeholder suggestions to support delivery of an outcome-based approach are evaluated and proposals worked up and incorporated into future Test and Learn pilots/schemes as appropriate.

- **Initial Focus on Habitats.**

 - (i) Actions to reverse the trends in nature decline by creating and restoring habitats that are important for species diversity are prioritised and that proposals are worked up for a Test and Learn pilot/scheme.
 - (ii) A shortlist of initial habitat management actions are prioritised and design proposals worked up to incorporate them into Phase One of the scheme a Test and Learn pilot/scheme.
 - (iii) Specific stakeholder suggestions for other quick win management actions will also be considered, and their potential for inclusion as future management actions within a Farming with Nature Package evaluated.

- **Test and Learn Pilots**

 - (i) Test and Learn pilots are progressed and that specific stakeholder suggestions on the pilot components are considered and incorporated as appropriate.
 - (ii) Partnership delivery models aimed at encouraging collaborative working are considered and, as appropriate, incorporated into a future Test and Learn pilot.

- **Transition from EFS**
 The Department will ensure an orderly transition from the Environmental Farming Scheme to Farming with Nature.

7. Responses to the consultation were broadly in favour of the principles of a Farming with Nature Package.
8. The Farming with Nature Package is series of agri-environment measures that will form a central plank, within the overall portfolio of measures, to address environmental issues. The underpinning principles that will be adopted in creating this Package have been described above, and given the spread and complexity of issues, it is unlikely that a single, all-encompassing scheme would represent a deliverable solution. Lessons learned from previous measures implemented in Northern Ireland and from those implemented or under development elsewhere will be applied. This Package will evolve and expand, with impact, scalability and deliverability being key considerations.
9. Subsequently, after MLAs return to Stormont in February 2024, a submission was made to Minister Muir on the direction of the Farming with Nature Package. Minister Muir agreed that he was content to proceed with the proposed direction of policy development as outlined below;
 - (i) Proposals for a 'Farming with Nature Transition Scheme' are developed,
 - (ii) Proposals for the FwN Package are developed in a phased approach and in line with the framework outlined, and
 - (iii) The Environmental Farming Scheme (Wider) is not reopened for applications as an interim measure.

Sustainable Agriculture Programme: Future Portfolio

10. The primary components of agricultural support being developed under the Sustainable Agriculture Programme include:
 - Farm Sustainability Payment
 - Beef sustainability Package
 - Farming with Nature Package
 - Farming for Carbon Measures
 - Investment Measure
 - Knowledge and Innovation Measures
 - Farming for the Generations
 - Supply Chain Measures

Additional cross cutting elements will underpin the achievement of the policy objectives, comprising:

- Soil Nutrient Health Scheme

- Livestock Genetics Programme
- Controls and Assurance
- Metrics Monitoring and Evaluation
- Horticulture

Analysis of the Impact of the Sustainable Agriculture Programme Proposals

11. The Sustainable Agriculture Programme (SAP) policies and schemes will replace existing CAP payments and will have a key role in the delivery of a number of the draft Programme for Government priorities together with the Minister's key priorities through striving to achieve its four outcomes of improved environmental sustainability, enhanced productivity, stronger resilience and an effective functioning supply chain. The move from the previous support regime largely based on EU requirements under the Common Agricultural Policy, to a new policy agenda, will happen over a number of years in order to deliver a managed transition.
12. Policy proposals associated with future support, that will be more reflective of Northern Ireland conditions, are under development and the subject of the Agri Policy Programme consultation.

Regulatory impacts

13. Regulation can be defined as: "A rule or guidance with which failure to comply would result in the regulated entity or person coming into conflict with the law or being ineligible for continued funding, grants and other applied for schemes." This can be summarised as all measures with legal force imposed by central government and other schemes operated by central government. The Regulatory Impact Assessment (RIA) process is not necessary for certain identified activities:
- where policy changes will not lead to mandatory costs or savings for business;
 - road closure orders; or
 - changes to statutory fees by a predetermined formula such as the rate of inflation.
14. Across the Programme, future agricultural policy and support interventions will take account of a number of design principles including the need to be straightforward, easily understood by industry, not give rise to unacceptable market distortions

within the UK, not conflict with World Trade Organisation obligations and not create perverse behaviours and upset the natural cycle of the industry.

15. A Farming with Nature Transition Scheme is planned to provide support to farmers and land managers for environmental actions, and the supporting items needed to implement them, that will achieve environmental benefits through the delivery of additional habitats, protection of watercourses, provision of green infrastructure for nature corridors, and carbon sequestration.

16. It is anticipated that there will be no additional compliance or administrative burdens placed on farm business over and above those required in existing regimes. Participation by farm businesses in any of the workstream policy options will be optional and NI businesses would neither be placed at a disadvantage compared with other businesses elsewhere in the UK, nor would they have any special advantages. Therefore, it is very unlikely that there will be any costs or savings imposed on any farm business. For these reasons, a full RIA has been screened out.

17. Proposals for further phases Farming with Nature Package are subject to further development and Regulatory Impact Assessment Screening will be carried out for each phase of the Package as the policy strands are developed.

REGULATORY IMPACT ASSESSMENT (RIA)

Screening Questions	Response to Screening Questions		Full Impact Assessment Required		Justification / Key issues and groups to focus on
	Yes	No	Yes	No	
Is the policy or amendment to the policy likely to have a direct or indirect impact on businesses?	✓			✓	Financial support for businesses to participate in future support schemes to encourage best practice. The schemes will be optional.
Is the policy or amendment to the policy likely to have a direct or indirect impact on the voluntary / community sector?		✓		✓	The scheme is targeted to farm businesses only, so the voluntary/community sector wouldn't be able to apply, and it would be unlikely to impact on them.
CONCLUSION				✓	Participation by farm businesses in the Farming with Nature Transition Scheme will be optional. Therefore it is very unlikely that there will be any mandatory costs or savings imposed on any farm business or additional compliance or administrative burdens placed on farm businesses. For these reasons, a full RIA has been screened out.

When is regulatory impact assessment required?

If the answer to any of the above is yes, consideration should be given to undertaking a Regulatory Impact Assessment. However, the level of appraisal should be proportionate to the costs involved. A Regulatory Impact Assessment is not required for:

- I. proposals which impose no costs or no savings, or negligible costs or savings on business, charities, social economy enterprises or the voluntary sector;
- II. increases in statutory fees by a predetermined formula such as the rate of inflation; or
- III. Road closure orders.

APPROVAL and AUTHORISATION

Screened by:	Position/Job Title	Date
Devina Park	Grade 7	14 May 2025

Approved by:	Position/Job Title	Date
Martin McKendry	G3, Head of FFRAG	21 May 2025