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HILL FARMING SYSTEMS PROJECT CUMBRIA FELLS AND DALES SUMMARY OF RESPONSES TO THE HILL FARM QUESTIONNAIRE SURVEY 2006

Part of a joint project between the
Cumbria Fells and Dales and Gevaudan, Lozère LEADER + Programmes

Veronica Waller and Terry McCormick
Hill Farming Systems Project Officers, Voluntary Action Cumbria

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1. INTRODUCTION

In the summer of 2006, the Cumbria Fells and Dales LEADER + Programme engaged the Cumbria Farmers' Network to survey 40 hill farms in the area. The survey was aimed at examining the economic, environmental and social value of hill farming, but also investigated how farmers were responding to changes including the new Single Farm Payment System, Hill Farm Allowance and the Environmental Stewardship schemes. The survey also highlighted how the farms had been impacted by the foot and mouth crisis of 2001 and asked questions about the proportions of farm income coming from different sources.

The survey was not statistically representative but was a mixture of different types of hill farms across the area ranging from the Lake District to the Howgill Fells. The farmers studied had all been involved with aspects of work on hill farming carried out through various Fells and Dales Leader + projects and with engagement activity carried out by Rural Futures (now the Cumbria Farmers' Network).

2. PLANNED CHANGES TO FARM ENTERPRISES

The farms were asked what changes they had made, or were planning to make, in response to the new Single Farm Payment (SFP) System and Environmental schemes. Responses are shown below:-

Change to system	Number of farms Responding
Increasing livestock numbers	5
Decreasing livestock numbers	22
Changing livestock breeds	17
Reducing use of fell land	5
Increasing farm area	7
Reducing farm area	4
Reducing input use	12
Reducing labour	3
Developing "diversification" enterprises or off-farm income	11

Out of 40 farmers surveyed, more than half were considering decreasing their numbers of livestock. This appeared to be a result of a combination of factors: the effects of foot and mouth culls; the introduction of English Nature's Wildlife Enhancement Scheme and DEFRA's Higher Level Stewardship scheme; and the switch from headage payments to area payments under the SFP scheme. Comments included:

- *"If they don't pay, they don't stay"*
- *"I was planning to reduce my stock by 10-15% because of the Single Farm Payment, but now HLS has drastically reduced numbers anyhow."*

- *'I took over from my father in 2002. There has been a big reduction in breeding ewes and the wether flock has gone through the implementation of ESA and SWES.'*
- *'The fell was put into an ESA agreement in 2002 and this resulted in a 50% reduction of sheep on the fell.'*
- *'Our fell flock has been reduced through the SWES scheme.'*
- *'We are reducing our flock numbers as a result of the environmental schemes.'*
- *'We have reduced sheep numbers to fit in with new ESA scheme and have increased our cattle numbers.'*
- *'The fell flock was reduced in response to a fell management agreement.'*
- *'We reduced our sheep breeding flock by 1000 and replacements by 400. We then upgraded to Tier 2 ESA and also joined the WES scheme.'*
- *The Higher Level Scheme has added to the Single Farm Payment impact, and has increased the experience of a lack of control; planning is taken away from the farmer:*

For one farmer, the lack of skilled shepherds was another factor in deciding that livestock had to be reduced:

- *'I have had to reduce the fell stock because of financial pressure, and also because there are not enough shepherds around to help do the work.'*

Another significant response was 17 farmers out of the 40 surveyed were considering a move to different livestock breeds. This included a move away from Swaledale and Herdwick sheep to non native hill breeds particularly Lleyns and Cheviots; and increasing the number of cross bred sheep particularly the crossing of hill ewes with Texel rams. Comments included:-

- *"I have to increase the price I can get for lambs, so I will be putting 20% of ewes to the Cheviot tup to improve lamb value. I will retain some females as an inbye breeding flock of crossed ewes."*
- *"I may try crossing my Swales with Texel; they can still go to the fell, but will produce a better finishing lamb to replace the purebred Swaledale lamb which is not attracting a high enough price. I am looking at possible native cattle breeds if this can be linked to HLS and the knowledge of a better price for traditional beef."*

Twelve farms stated they were reducing their use of fertiliser to reduce costs, and/or to meet cross compliance and the requirements of environmental schemes. Farmers in the sample were also considering a variety of ways to generate income from non farming activities. Comments included:-

- *"I am planning a farm shop and commercial kitchen."*

- *“There are a number of business ideas we are pursuing: establishing a camping barn; and developing woodland craft courses and education based on our management of woodlands.”*
- *“I am looking at turning bracken into fuel.”*
- *“I am considering developing a caravan site and establishing a livery.”*
- *“I am going to be breeding and training sheep dogs”*

The approach of hill farmers to these new circumstances appears to be pragmatic and survivalist:

- *‘I am working towards a less intensive operation with low inputs and outputs; making the most of environmental payments where I can.’*

But this is not without an undertow of frustration and loss as their traditional knowledge and skill (what they know and what they are good at) is no longer the core of their activities:

- *‘Too much emphasis on access and wildlife and not enough on farming business.’*

For some hill farmers, the daunting challenge of reinvention and the new cross-breeding of roles is constrained and stressed by the increasing burden of bureaucracy:

- *Since F&M there have been more regulations and more bureaucracy and more time spent on paperwork.*
- *‘There are more restrictions on management practices and more office work.’*

For a few, this requirement for yet another set of skills and extra capacity is too much to cope with:

- *‘I have problems with the paperwork and this legislation.’*
- *‘The paperwork has increased and is a nightmare!’*
- *‘There is a loss of motivation because of the regulations.’*

3. SOURCES OF INCOME INTO THE FARM BUSINESS

The questionnaire asked farmers to estimate the proportion of their income coming from different sources including sales of livestock or milk, the different support payments (Single Farm Payment, Environmental Payments and the Hill Farm Allowance), and income from diversification sources or off farm income. The results were very variable between farms.

In the first table the results have been averaged for those farms in the Lake District compared with those farms to the East of the M6. The second table demonstrates the extent of individual variability with the results for a hill farm with dairy and sheep enterprises on the fells to the East of the M6 compared with a Lake District fell farm with tourism income.

Table 1

Income source	Lake District farm average	Fells East of M6 farm average
Livestock sales	33%	40%
Dairy	0%	10%
Support payments	56%	40%
Off farm income	2%	8%
Diversification	8%	0%
Other agricultural income	0%	1%
Added Value	1%	1%

Table 2

Income source	Lake District Individual farm	Fells East of M6 Individual farm
Livestock sales	17%	20%
Dairy sales	0%	56%
Single Farm Payment	17%	13%
Environment Payment	15%	0%
Hill Farm Allowance	6%	6%
Diversification	45%	0%
Added Value	0%	5%

These results are not statistically significant but are a snapshot of how individual hill farms are obtaining their income. The Lake District individual farm example was chosen because of its very low proportion of income from livestock sales, with the majority of income coming from an on-farm tourism enterprise and from the different support payments. This was the lowest proportion of income from livestock sales in our sample but the farmer would still describe himself as a hill farmer and livestock rearing would still be his main focus.

The sales from the dairy enterprise for the farm to the East of the M6 meant that the farm was less dependent on support payments and did not have a tourism enterprise. There are, however, very few dairy hill farms left in Cumbria.

The survey has highlighted how areas to the east of the M6 outside the Environmentally Sensitive Areas have in the past received less environmental payments. For these farms, the new Entry Level Stewardship scheme provides an opportunity to receive environmental payments.

4. CONCLUSIONS

The survey reflects concerns over the viability of maintaining native sheep breeds on Cumbria's fells, particularly on its upland commons.

The foot and mouth crisis of 2001 resulted in many hill farms losing at least a generation of their hill sheep and, in some cases, all or the vast majority of their livestock. Some of these farms did not fully restock particularly where English Nature's Wildlife Enhancement Scheme payments were available or where there was the possibility of upgrading to Tier 2 ESA payments. Farmers have also responded to the new Single Farm Payment scheme paying on area rather than headage of livestock by reducing their numbers of sheep, and the new Higher Level Stewardship scheme has also contributed.

According to the survey, as well as reducing livestock numbers, some farms are also considering reducing the numbers of pure bred native sheep breeds with more cross breeding and the use of other hill sheep breeds such as Lleys and Cheviots.

The reduction in numbers and use of cross breeds or non-native breeds is of great concern to the management of Cumbria's fells, particularly the viability of grazing on common land. These areas are dependent on a careful balance of sheep numbers, the sheep's knowledge of the heft and the availability of shepherding. All these are under threat.

Although marketing is one way in which the value of native hill sheep breeds might be improved, the farm income proportions show how dependant these farms are on environmental and Single Farm Payment scheme income and also how important tourism and other income is for many farms particularly in the Lake District.

The National Trust in 2006 investigated the situation on 60 of its tenanted farms in the Lake District, the Yorkshire Dales and Moors, the Peak District and Northumberland. It calculated that there will be an average 40% loss of subsidy income on their farms by 2012. The report concluded that:

"There is now a real threat of farmers not keeping cattle and sheep because they cannot make a viable living from farming. This may lead to chaotic and unplanned loss of land management capability with potentially severe and widespread consequences."

The reduction in Single Farm Payment income to hill farms is a loss that is too great to be made up by improving returns from the market. In fact, rather than improving their returns from the market, sheep farmers were faced last autumn with the devastating market consequences of the 2007 foot and mouth and blue tongue outbreaks.

One of the greatest concerns is the shortage of young people entering hill farming with lack of affordable housing and availability of capital two of the most frequently noted obstacles to young farmers. The overwhelming need is for the inherent profitability of hill farming to be improved so that young people feel there is a future in hill farming. In addition, the following issues need to be addressed:-

- Availability of capital for new entrants to hill farming. The Common Agricultural Policy subsidized loan system for young farmers has not been taken up by the UK, but is operational in countries such as France. This policy should be reviewed in light of the specific needs of hill farming families.
- Consideration needs to be given to the needs of hill farming families and workers when planning permission is requested for on-farm housing
- The fell farming trainee scheme piloted by the Cumbria Farmer Network in 2005 should be reviewed and mainstreamed potentially with funding from the Rural Development Programme.
- Larger institutional landlords such as the National Trust and United Utilities should consider the need to provide opportunities for younger farmers to gain experience on their smaller hill farms potentially with mentoring from neighbouring hill farmers.

More than in any other farming sector, the physical needs of hill farming requires the strength of the young combined with the knowledge of the older generation. Ensuring sufficient younger farmers are attracted to and continue in hill farming and benefit from the knowledge of older, more experienced shepherds is a massive challenge for the future.

It appears that the only way hill farms may survive is as a hybrid mix of livestock graziers, environmental and cultural landscape curators and rural entrepreneurs. The new Rural Development Programme due to be launched later in 2008 needs to be flexible enough to assist hill farms with this challenge.

Veronica Waller and Terry McCormick
Hill Farming Systems Project Officers
Voluntary Action Cumbria
The Old Stables,
Redhills
Penrith
Cumbria CA11 0DT
Tel: 01768 869533