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NFU Strategy on Trees

Summary

The NFU recognises that trees (in all forms; woodlands, the wider landscape and hedgerows) deliver a multitude of benefits for farm businesses, the environment and the economy, as well as giving a strong sense of nature and wildlife in the landscape. The NFU also recognises that farmers and growers will be key to delivering the Government's commitment to plant 11 million trees in the 25 Year Environment Plan and more recently, the manifesto commitment to deliver 30,000 hectares per annum by 2025.

Whether storing more carbon through managing bigger hedgerows or planting more woodland, these activities will all need the right incentives and policies that work together to help support the delivery of agriculture's net zero ambition, while also ensuring we have a farmed environment that can both feed the nation and thrive with wildlife. The NFU realises the important role that trees and hedgerows will play in **our commitment to reaching net zero agriculture by 2040**, as well as various other benefits they can provide to the farm business, society and the environment.

The NFU recognises the need to plant **the right tree in the right place**, both now and in a changing climate. This includes considering a range of factors such as species, sourcing, climate, location and outcome and also ensuring:

- Our best and most versatile land is not planted with trees, recognising the importance of food production. However, any proposal to change the use of land from agriculture should be fully assessed.
- Farmers are able to readily access sound, scientifically correct advice, training provision and clear guidance from experts (on planting, maintaining, and meeting end-market demand) should they be interested in doing so.
- Support for new plantings and encourage British-sourced and grown saplings as a biosecurity defence and demonstrate a commitment to our nursery sector.

The NFU recognises that for **farmers to voluntarily engage**, various **policy barriers need to be addressed** to ensure that...

- Addressing the current under-management of existing trees before encouraging more tree planting. Sustainable management should be incentivised.
- The permanency element of planting new woodland is reviewed, as currently this presents a major barrier to the land manager and landowner community.
- The existing taxation regime no longer presents a barrier to engagement.
- Government offers incentives for hedges, lone trees and small-scale tree planting on farm, recognising the public benefits they deliver.
- Alternative funding streams are established, such as payment for public goods linked to a robust carbon price reward for the carbon storage achieved.
- There is a separate Environmental Land Management scheme (ELMs) offer for commercial forestry and large woodlands, recognising the complexity of forestry delivery.

and an enabling environment is created which includes:

- Reviewing the existing barriers that prevent tenant farmers from engaging in tree planting activity.

- Developing Local Nature Recovery Strategies (LNRS) and other targeting tools such as local ELMs priorities in consultation with land managers.
- The development of **alternative funding streams should be encouraged**, such as payment for public goods clearly linked to a robust carbon price reward for the carbon storage achieved.

The NFU will use the key points outlined above to help influence and shape Government policy changes that could create a landscape where on-farm trees, woodlands and hedges are valued for the public goods they deliver. We believe that tree planting should be a voluntary business opportunity that contributes towards our industry's net zero ambitions and a decision that does not permanently change land use for future generations.

The England Trees Action Plan

In May 2021, Government published the long-awaited [England Trees Action Plan \(ETAP\)](#), which provides an ambitious, long term vision for trees and woodland in England to 2050 and beyond. The ETAP aims to treble tree planting rates in England by the end of the current parliament, aiming to achieve 7,000 hectares planted annually. The intention of the ETAP is a call to action, to landowners and managers, communities, and other groups to help to meet the ambitions.

The ETAP provides the starting point for developing more detailed policies to support Government's ambitions. The NFU welcomes the inclusion in ETAP of:

- Recognition of the “right tree in the right place” principle, which considers factors such as the tree species, appropriately sourced to match the location and the long-term objectives.
- Commitment to support our nursery sector to supply home grown saplings.
- Ambition to leverage private finance.
- Uplifted payments for government funded grants to land managers to plant trees.
- Commitment to fund small scale planting – from 1ha and agroforestry measures on farm.
- Recognition of unmanaged farm woodlands, and the need to incentivise management.
- More and better advice / guidance.
- Reviewing the guidance on the tax treatment of trees and woodlands.

From the NFU's perspective ETAP had:

- Little reference to farming, despite the fact farmers are crucial to delivering the targets.
- Makes little provision for agricultural tenants to play a fuller role in tree or woodland planting.
- Not referenced permanency element of tree planting.
- Committed to ELMs funding for woodland creation and management, which the NFU believes would benefit from a separate scheme to ELMs due to woodland complexity.

The ETAP is 'just the beginning' and Government has committed to continuous engagement and work with stakeholders to implement the actions. The NFU will continue to work to get more recognition for trees across the countryside, shaping our iconic landscapes, contributing to the carbon agenda and delivering for biodiversity.

NFU Strategy on Trees

This paper sets out the NFU's policy position on trees for England only, encompassing woodland creation, agroforestry/trees in the wider landscape and hedgerow planting/management. This policy workstream is timely given the Government's current focus on tree planting and commitment to planting 11 million trees in the 25 Year Environment Plan. The Government also has a net zero target for carbon emissions by 2050 and has identified tree planting as one element of addressing climate change through carbon sequestration. Closer to home, trees in woodlands, the wider landscape and hedgerows will play a significant role in helping the NFU deliver its own ambition to meet net zero by 2040.

The NFU realises the important role trees and hedgerows will play in the years ahead in achieving net zero and the multiple benefits they can provide to the farm business, society and the environment. As such we recognise the key role farmers and land managers will have to play in tree planting in the coming years. However, there are currently many barriers that prevent farmers from planting trees. This paper outlines those barriers, as well as providing details on opportunities that may arise in the future through new funding streams. This workstream is timely given the recently published government ETAP and the NFU will continue to work with and influence government in this area with the aim to create policies that allow farmers to engage with tree planting on a voluntary basis whilst maintaining their core role as food producers.

In our vision for agriculture to achieve net zero by 2040, we focus on three key pillars which include: productivity increases; carbon sequestration; and renewable energy and the bioeconomy. **Incentives and advice to support better management of trees and hedgerows or planting new trees and hedgerows on farm to increase carbon sequestration, will all contribute towards delivering against pillar 2 of our [Net Zero Roadmap](#).** These include simple steps that can increase woody vegetation cover quickly.

The right tree in the right place

- **Fundamentally, the NFU supports the policy principle of the 'right tree in the right place'**, both now and in a changing climate. When considering appropriate tree planting, farmers will need to consider a range of issues to ensure it makes sound business sense in the short and long term. A range of considerations such as the planting objective, tree species appropriately sourced to match the location, local climate and soil type and desired outcome will determine the type of tree most suitable for a particular situation. Native species will have a role to play, particularly if the objective has a strong biodiversity focus, given that our native trees support a significant number of England's wildlife species.
- A full, comprehensive review of land should be developed before any planting takes place, crucially in situations where this is likely to change land use from agriculture, recognising the importance of food production both now and in the future. **It is crucial that our best and most versatile land is not planted with trees.** Additionally, we must learn from mistakes of the past and ensure any tree planting will offer more benefits than consequences to our environment, e.g. historical evidence that planting on peatland must be avoided. The long-term objectives of tree planting must be fully understood but also to inform a sensible and planned approach to meeting tree planting targets
- Linked to this point, farmers and growers should be able to access sound, **scientifically correct advice, training provision and clear guidance** from experts on planting, maintaining and meeting end-market demand. The process of planting a woodland (woodland defined in the UK as land under stands of trees with a canopy cover of at least 20%) requires an Environmental Impact Assessment (EIA), a woodland management plan and UK Forestry Standard (UKFS) compliance. This requires professional analysis and advice.

- **We recognise the importance of supporting and encouraging British-sourced and grown saplings as a biosecurity defence.** The Government should offer support to nurseries and seed suppliers to meet the increasing demand we are likely to see in the years ahead. British sourced and grown saplings will play a crucial dual role in preventing the importation of devastating pests and diseases and encouraging a domestic supply of saplings, which in turn benefit the UK economy.
- **The NFU has long argued that under management of existing trees needs to be addressed** before we can encourage more tree planting. According to the Royal Forestry Society, in 2019 less than 60% of England's woodland was in active management. Therefore, the NFU strongly encourages the Government to not only reward new tree planting, but also financially incentivise good woodland/tree management for existing woodland. This should be appropriate for both small and large-scale management activity, as well as for lone trees on farm for biodiversity benefit and/or wood production depending on the site and land manager objectives. In fact, trees outside of woodlands make up more than one-third of total tree numbers yet are often overlooked when considering their environmental benefits and carbon sequestration value. The NFU also believes existing woodland should be eligible to tap into future carbon markets.

Existing policy barriers that must be addressed

- The NFU has been calling for **government to incentivise tree planting outside of woodlands**, including hedges, lone trees on farmland and small-scale tree planting, and for this to be extended beyond the existing Countryside Stewardship offer. The current three-hectare minimum threshold for Countryside Stewardship woodland creation grant proves to be a barrier to engagement. The NFU welcomes the new Forestry Commission grant scheme, the [England Woodland Creation Offer \(EWCO\)](#) which committed to funding smaller scale planting (to a minimum of 1 hectare blocks), as well as agroforestry measures on farm. The EWCO offers uplifted payments based on natural capital thinking, rewarding individual public goods delivered through planting trees depending on the design. Find out more on [NFUonline here](#). Future schemes must also reward small scale planting that works with the farm business. To effectively incentivise hedges and trees, ELMs must be simple to apply for and offer a fair reward for participation. The NFU's detailed view on ELMs can be found [here](#).
- **Potential of agroforestry** in the broadest sense from hedges through to single and small groups of trees on farm that work with the farming business/food production. However, there is an existing resistance to the term agroforestry amongst the farming community. This is partially as a result of the lack of a universally accepted definition and general confusion around what it encompasses. There is a need to support more UK-based research into the benefits and best management practices around agroforestry.
- **The NFU encourages the Government to recognise the importance of trees in the wider landscape**, which offer a significant contribution to carbon sequestration, biodiversity, landscape character and in some situations, even food production. Outside of woodlands (as defined by the [National Forest Inventory](#)) there are 565,000 hectares of tree cover in England, and 742,000 hectares in Britain. Trees also offer a multitude of benefits to farm business, including acting as boundary features and livestock barriers and shelter such as those found in hedgerows, and even as windbreaks to protect production. Food producing trees, such as those that bear nuts or fruit, offer a direct contribution towards domestic food production, as well as contributing towards the aforementioned benefits of trees outside of woodlands.
- **The permanence of planting new woodland can present a major barrier to engagement amongst the land manager and landowner community.** The requirement that areas of forestry and woodland cannot be returned to agriculture at the end of their life cycle is a

significant barrier to uptake. This restricts land management opportunities of future generations of farmers at a time when farm businesses need to be able to adapt and build their resilience in the face of an uncertain future. There is a need for guidance and flexibility within the UK Forestry Standard permanence requirement to enable certain trees on suitable sites to be treated in a similar way to a crop and work in rotation on farm land. Additionally, where tree planting is permanent land use change, Government must ensure that incentives compensate for the permanent loss in capital value of the land.

- **Taxation can be another barrier to alternative permanent land use.** Agricultural land currently qualifies for 100% relief from inheritance tax under Agriculture Property Relief and commercially managed woodland can qualify for 100% relief from inheritance tax under Business Property Relief. For any forestry that is not eligible to be managed commercially, the land is unlikely to qualify for either type of relief. This tax disincentive should be removed. The Government must ensure that tax legislation supports wider Government policy. For instance, the definition of 'agriculture' for capital tax purposes should be reviewed, as noted in the recent Committee on Climate Change report '[Land Use: Policies for a Net Zero UK](#)', to ensure it reflects the new expectations of land-based businesses and does not act as a barrier to desired alternative use.
- The NFU and other farming organisations have set out a vision for a future [Sustainable Food and Farming Scheme \(SFFS\)](#). There should be scope within the SFFS to reward the management of existing farm woodlands or shelterbelts and coppice planting, however it suggests there is a need for a **separate scheme for commercial forestry and large woodlands**, recognising the complexity of forestry delivery.

Creation of an enabling environment

- **Nearly 30% of agricultural land in England is tenanted** either on Full Agricultural Tenancies or Farm Business Tenancies. In the majority of cases, tenant farmers are unable to plant trees on their holdings due to clauses within their tenancy agreements which can expressly prohibit them from doing so. We strongly encourage the Government to address this and consider allowing greater flexibility whereby certain trees can be treated in a similar way to crops and work in rotation on farmland. The NFU would like to stress the importance of the need for any tree planting engagement to be voluntary, this is relevant generally and also specifically for tenants. We discourage a situation whereby landlords are able to force tree planting on their tenants.
- The development of **alternative funding streams should be encouraged**, such as payment for public goods clearly linked to a robust carbon price reward for the carbon storage achieved. We need a simple but robust monitoring and reporting framework for all scales of planting that will in turn give farmers and investors' confidence and security.
- There are **new opportunities developing through the delivery of biodiversity net gain**. However, in order to encourage uptake of these opportunities, the contracts to deliver them must be transparent and reflect the longevity of the commitment. It must be clear how they relate to government funded schemes and the NFU believes there are merits for allowing public and private funding to be blended.
- **The NFU recognises the need for continued research and development.** Tree planting decisions (including species, planting style, climate, outcome and topography) need to be underpinned by robust scientific evidence. Currently the farming industry is ill-equipped to contribute towards delivering the ambitious tree planting targets government has set. For example, further research and development is needed:

- To improve our understanding of the various factors that will impact on tree planting decisions in the future, such as climate change and plant health.
 - To address carbon sequestration potential across varying types of land use and provide comparison datasets. It will be crucial that such regional variations in farm practices are subsequently accommodated through flexible approaches to carbon storage and that farmers have access to the information they need to make the right decisions for their business.
 - To explore the potential for reducing the environmental footprint of plastics associated with tree planting.
- **The NFU believes that we need to have a plan for flood risk management** at a catchment level that utilises and funds all flood mitigation options, including natural flood management (NFM) techniques. Planting trees could help temper the flow of the ensuing water on the ground, but only when the right tree is planted in the right place. However, it is only one tool in the box rather than a sole solution in any location. **Support and appropriate incentives need to be available to landowners and farmers who implement such NFM features /schemes. This must cover the long-term liability** and responsibility of the feature /scheme. In addition, farmers and land managers must be involved at every stage of scheme design and implementation.
 - **Through Local Nature Recovery Strategies (LNRS)**, or other environmental initiatives, targets may be established for tree planting within a local planning authority area. The LNRS could go on to influence the location of future tree planting through ELMs and biodiversity net gain. **Farmers should be consulted on the development of their local LNRS** and any local priorities within ELMs. The LNRS should not restrict access to ELMs for the farmer. LNRS are subject to the Environment Bill securing Royal Assent. There may be occasions where targeting conflicts arise and the synergies and trade-offs between biodiversity, climate and production are complex. Farmers need in-depth, site-specific guidance, based on sound science that will equip them with the decision-making tools and allow them to determine the best choices for their land, which might include alternative land uses to tree planting.

Conclusion

In short, the NFU believes that tree planting will play a crucial role in tackling the climate change challenge and that farmers and growers have a key role to play in delivering the outcomes required. Trees offer a multitude of additional benefits to climate action too, which should not be overlooked. Across the countryside trees of all kinds have an important role including shaping our iconic landscapes, contributing to flood prevention, and delivering for biodiversity. The NFU continues to be committed to its own net zero ambitions and will encourage and aid the farming industry to step up to the challenge. Individual farmers have a role to play, no matter how small or large those actions are, all will contribute towards the overall success of the industry's ambition.

However, there are many fundamental barriers that must be addressed to ensure woodland creation, agroforestry and hedgerow planting/maintenance are accessible to land managers going forward. Crucially, **any farmer engagement with tree planting, whether that be agroforestry or woodland creation, must be done so on a voluntary basis.**

The NFU hopes to continue to influence and in turn, see the government create a landscape where on-farm trees, hedges and woodlands are valued for the public goods they deliver, and tree planting becomes a voluntary business opportunity that does not permanently change land use for future.

To read the NFU Tree Strategy, [please click here.](#)