**Consultation on changes to Direct Payments to farmers in England:**

**Lump sum exit scheme and delinked payments**

We published the [Agricultural Transition Plan](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/954283/agricultural-transition-plan.pdf) last November, in which we announced our intention to introduce a lump sum exit scheme for farmers in 2022 and to replace the Basic Payment Scheme (BPS) with delinked payments in 2024.

These changes are part of the agricultural reforms we are carrying out over a 7-year agricultural transition period (2021 to 2027).

BPS is the current Direct Payment scheme for farmers and is largely based on the amount of land the farmer has.

We are consulting on the proposed lump sum exit scheme and our proposed approach to delinked payments. The consultation closes on 11 August 2021 and can be found here: <https://consult.defra.gov.uk/agricultural-policy/lump-sum-and-delinked-payments-england>.

## **The lump sum exit scheme**

In 2022, we plan to offer farmers who wish to exit the industry the option of taking a lump sum payment in place of any further Direct Payments. We believe this will help those who wish to retire or leave the industry to do so in a planned way.

The lump sum exit scheme will make more space for the next generation of farmers, as well as providing opportunities for existing farmers who wish to expand to improve their profitability. It will sit alongside extra support to help new entrants into the industry.

The consultation seeks views on who should be eligible for the lump sum exit scheme and how the payments should be calculated.

## **Delinked payments**

We plan to ‘delink’ Direct Payments from the land for all farmers in 2024. This means that recipients will no longer have to farm the land to receive the payments. Delinked payments will replace the current BPS for all farmers in England.

As recipients will no longer need to meet the current BPS rules, this will simplify the payments as we phase them out over the remainder of the agricultural transition.

Those who continue farming will still have to comply with legal standards that protect the environment, animal and plant health, and animal welfare.

The consultation seeks views on the reference period to be used to determine eligibility for, and calculate the value of, delinked payments.