



# Opportunity Costs of Woodland Creation in England

A review of data sources  
and evidence – Addendum

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# Context

This document serves as an addendum to the report titled 'Opportunity Costs of Woodland Creation in England: A review of data sources and evidence'. It provides more in-depth background information and analysis of agricultural policy and financial returns (as reported by the Farm Business Survey) between 2017/18–2021/22. It also provides some information on the potential opportunity costs of woodland creation associated with Anaerobic Digestion for bioenergy generation.

## 1 Agriculture

### 1.1 Agricultural policy prior to 2020

Prior to January 2020, agricultural policy in England was largely determined by the EU CAP. The CAP provided payments to landowners under two pillars. Pillar 1 represented 80% of the UK's CAP budget in 2018 and provided direct income support to farmers. This support came primarily through the BPS, based on the area of land farmed. However, several concerns surrounded the BPS, including the introduction of market distortions (e.g. higher proportions of payments accruing to larger and wealthier farms) and farmers not being rewarded for the public good benefits of their environmental land management actions (Defra, 2018). Young farmer and greening payments were also made under Pillar 1.

Pillar 2 (representing the remaining 20% of the CAP budget) primarily concerned AES, which in England came in the form of the Countryside Stewardship (CS) Scheme. The CS provided financial incentives for farmers and landowners to undertake specific actions to protect the natural environment. Agreements included Higher Tier grants for the management of environmentally important sites and Mid-Tier grants to address widespread environmental concerns in agriculture, such as reducing water pollution or providing habitats for farmland birds (Defra, 2023b, 2024).

## 1.2 Agricultural land use

### 1.2.1 Arable (Cereals and General Cropping)

Arable farms (i.e. cereal farms and general cropping farms) constituted an average of 33% of England's total land area between 2014 and 2023. The share of land dedicated to cereals has risen from 21.9% in 2014 to 23.3% in 2023, with slight declines in 2017, 2018, and 2021 (with no data available for 2020). The overall trend for general cropping farms has been similar, rising 10.3% of total land area in 2014 to 11.7% in 2023, with small dips in 2015 and 2021 and peaking in 2022 at 12.4% (with no data available in 2020) (Defra, 2023f). In both cases, the dips in 2021 may relate both to difficult weather conditions in 2019 and 2020 and also to labour shortages, social distancing laws, and illness-related conditions associated with the Covid-19 pandemic (Rivington et al., 2021).

### 1.2.2 Grazing land (Lowland and LFA Grazing Livestock)

Farms dedicated to lowland grazing livestock and LFA grazing livestock covered on average 19% of England's total land area between 2014–2023. The proportion of total land area dedicated to LFA grazing farms in 2023 (9.5%) is largely unchanged compared to 2014, though peaked at 11.0% in 2017. The total area of LFA grazing livestock is categorised into farms in 'severely disadvantaged areas' and 'disadvantaged areas', representing 67% and 33% respectively of the total LFA grazing area in 2022 (Harvey and Scott, 2022). By contrast, the total area dedicated to lowland farms has declined slightly over the past decade, from 11.4% in 2014 to 9.9% in 2023.

### 1.2.3 Dairy

Land dedicated to dairy farms comprised an average of 5.6% of England's total land area between 2014–2023. There has been a decline in the area covered from 6.7% in 2014 to 5.7% in 2023 of England's land area.

#### 1.2.4 Horticulture, Pigs and Poultry

Land dedicated to horticultural, pigs, and poultry farms respectively amounted to only 1.3%, 0.59%, and 0.65% of England's total land area in 2023, comprising the smallest proportions of all farm types.

## 1.3 Average returns from agriculture

### 1.3.1 Cereals

Net agricultural returns to cereal production in England averaged at £71/ha/year between 2017/18 and 2021/22, representing on average 12% of total FBI, or 15% of FBI without diversification income.

Figure 1 Average annual FBI for Cereal farms, by year and farm income category during 2017/18–2021/22 (£/ha/year)

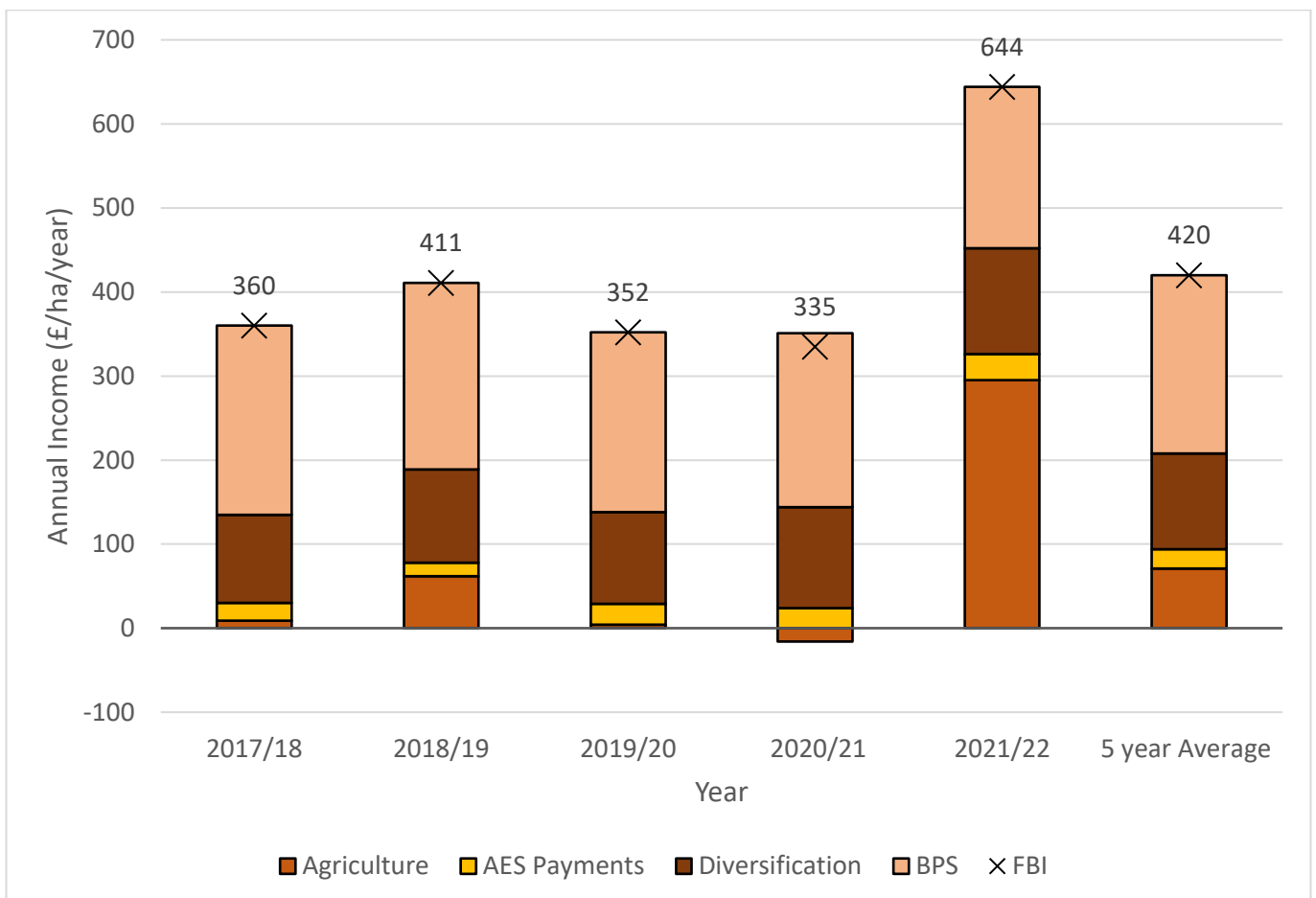


Table 1 Average annual FBI for Cereal farms, by year and farm income category during 2017/18–2021/22 (£/ha/year)

	2017/18	2018/19	2019/20	2020/21	2021/22	5-year average
<b>Agriculture</b>	£9	£62	£4	-£16	£295	£71
<b>AES</b>	£21	£16	£25	£24	£31	£23
<b>Diversification</b>	£105	£111	£109	£120	£126	£114
<b>BPS</b>	£225	£222	£214	£207	£192	£212
<b>Total FBI</b>	£360	£411	£352	£335	£644	£420
<b>FBI without diversification</b>	£255	£300	£243	£215	£518	£306

### 1.3.2 General Cropping

Net agricultural returns to general cropping in England were higher than cereals on average at £106/ha/year between 2017/18 and 2021/22. This represented on average 21% of the FBI or 26% of the FBI without diversification income. BPS payments made up on average 49% of FBI and, as on cereal farms, witnessed a slight decline over time, including a 11% drop in 2021/22 compared to the year before.

Figure 2 Average annual FBI for General Cropping farms, by year and farm income category during 2017/18–2021/22 (£/ha/year)

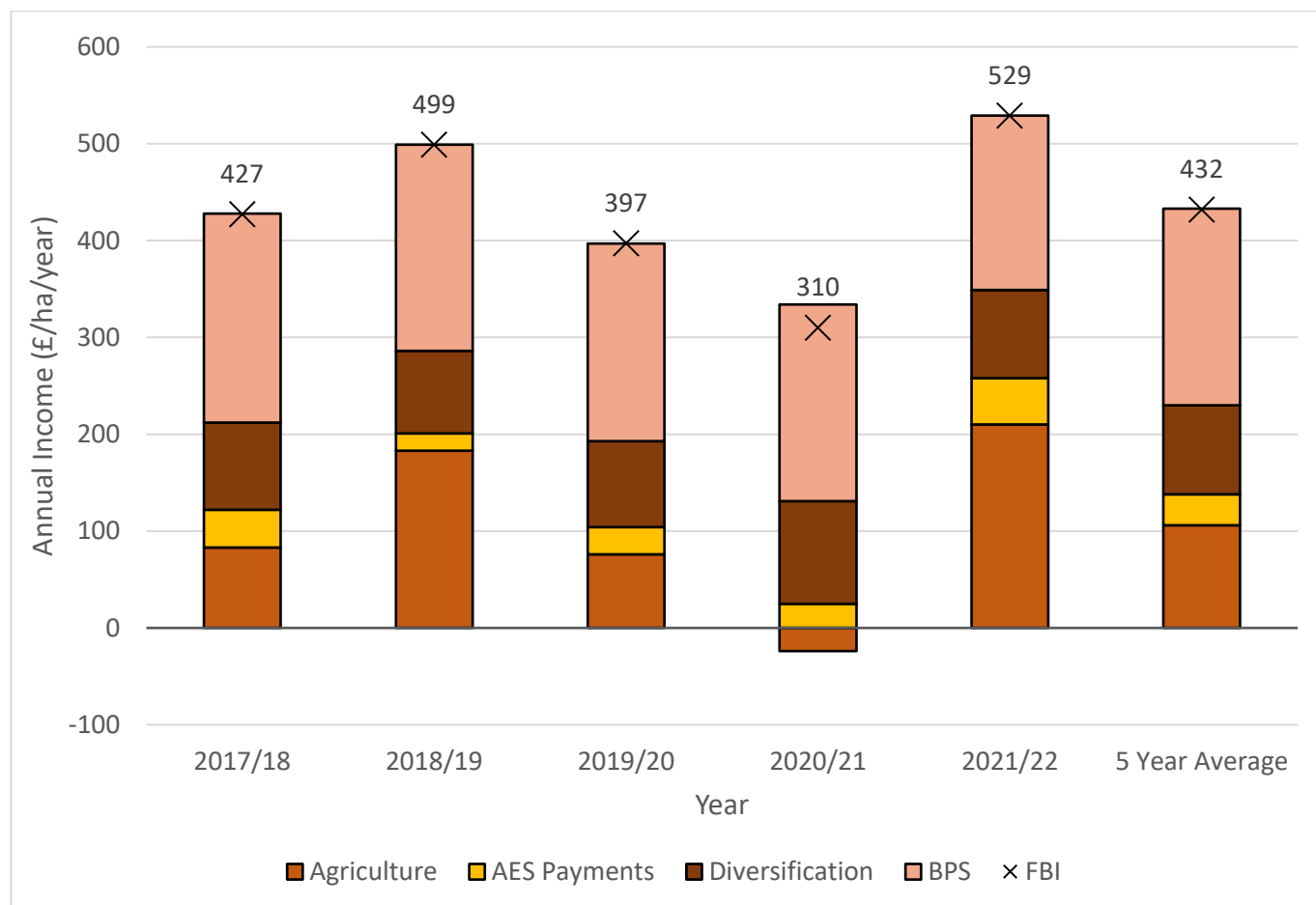


Table 2 Average annual FBI for General Cropping farms, by year and farm income category during 2017/18–2021/22 (£/ha/year)

	2017/18	2018/19	2019/20	2020/21	2021/22	5-year average
<b>Agriculture</b>	£83	£183	£76	-£24	£210	£106
<b>AES</b>	£39	£18	£28	£25	£48	£32
<b>Diversification</b>	£90	£85	£89	£106	£91	£92
<b>BPS</b>	£216	£213	£204	£203	£180	£203
<b>Total FBI</b>	£427	£499	£397	£310	£529	£432
<b>FBI without diversification</b>	£338	£414	£308	£204	£438	£341

### 1.3.3 Lowland Grazing Livestock

Average net agricultural returns for lowland livestock grazing farms in England between 2017/18 and 2021/22 were negative (-£109/ha/year), reaching a minimum of -£196/ha/year in 2019/20 before recovering to a positive return in 2021/22 (Figure 3). Lowland grazing is highly dependent on BPS payments: on average, BPS payments represent 86% of FBI (or 58% of income from the positive income categories). As the average lowland livestock farm is less profitable than the average arable farm, BPS is tapered off at a declining rate (the average drop in BPS in 2020/21 compared to the year before was less than 6%). A higher proportion of FBI of lowland grazing farms also comes from AES (19% on average) compared to on arable farms (5-7% on average).

Figure 3 Average annual FBI for Lowland Grazing Livestock farms, by year and farm income category during 2017/18–2021/22 (£/ha/year)

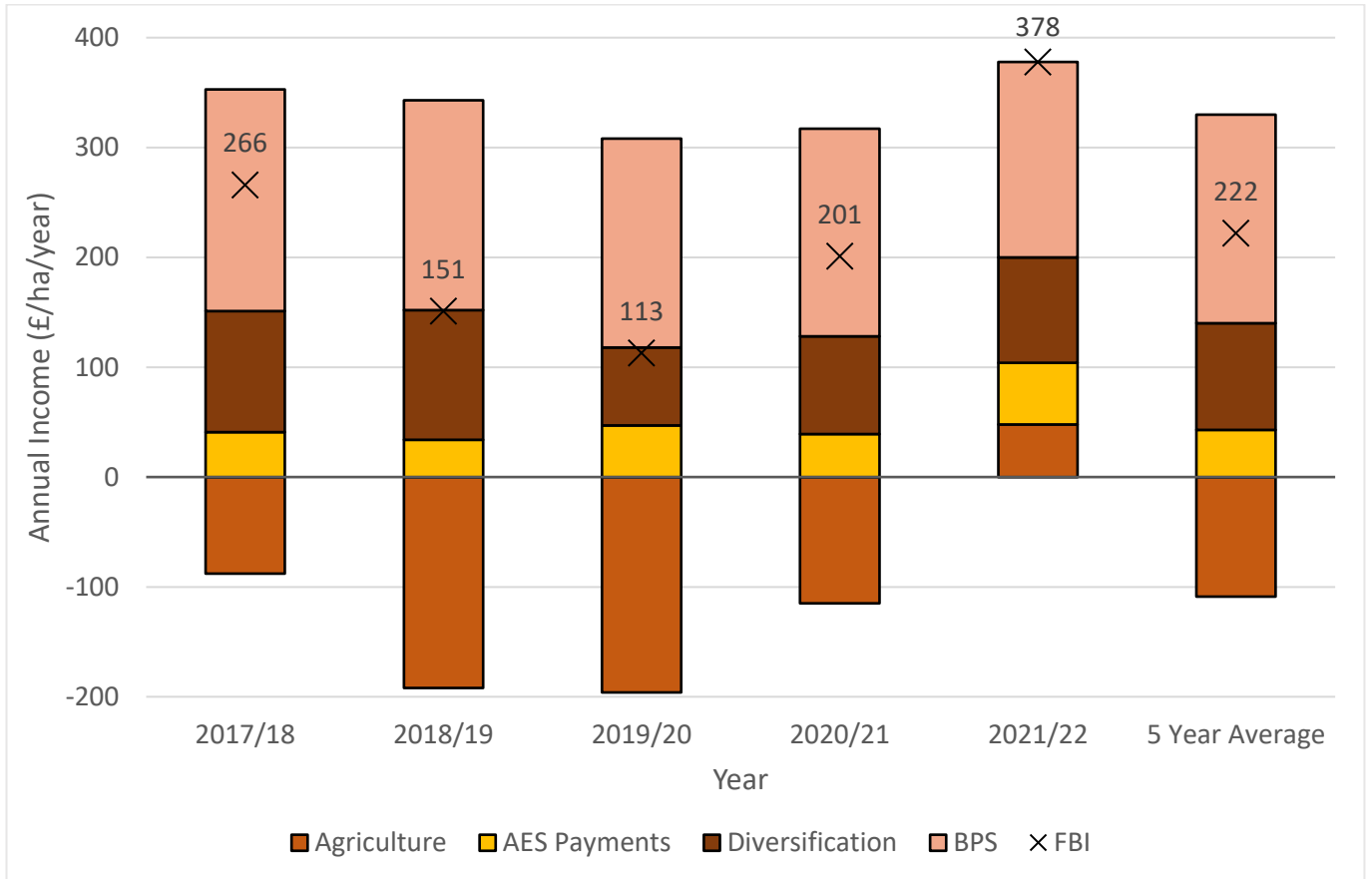


Table 3 Average annual FBI for Lowland Grazing Livestock farms, by year and farm income category during 2017/18–2021/22 (£/ha/year)

	2017/18	2018/19	2019/20	2020/21	2021/22	5-year average
<b>Agriculture</b>	-£88	-£192	-£196	-£115	£48	-£109
<b>AES</b>	£41	£34	£47	£39	£56	£43
<b>Diversification</b>	£110	£118	£71	£89	£96	£97
<b>BPS</b>	£202	£191	£190	£189	£178	£190
<b>Total FBI</b>	£266	£151	£113	£201	£378	£222
<b>FBI without diversification</b>	£155	£33	£41	£113	£282	£124

### 1.3.4 Less Favoured Areas (LFAs)

LFAs are typically upland areas where farming is more challenging due to climatic, soil, and terrain issues, which in turn leads to lower yields (Harvey and Scott, 2022). These characteristics, together with the distance from large urban markets, makes it more challenging for these farms to compete with lowland grazing (Franks *et al.*, 2020).

Figure 4 shows a breakdown of average net returns for LFA grazing farms by income category from 2017/18 to 2021/22. The average net income from agriculture over this period was negative (-£78/ha/year), though less so than that for lowland livestock grazing farms. The negative net agricultural income could be due to a decline in average prices for agricultural produce and higher costs for farm inputs noted in the literature (Franks *et al.*, 2020). LFA farms were heavily dependent on BPS and AES payments to remain economically viable: on average BPS and AES payments constituted 101% and 43% of FBI respectively. Diversification income played a much smaller role as a proportion of net income (12%) than for other farm types, although evidence from the literature suggests that better performing LFA

farms often derive a higher proportion of their income from diversification activities (Harvey and Scott, 2022). Household income on LFA farms has also been found to be supported and stabilised by off-farm income in periods when agricultural returns are low (Vigani and Dwyer, 2020).

Figure 4 Average annual FBI for LFA Grazing Livestock farms, by year and farm income category during 2017/18–2021/22 (£/ha/year)

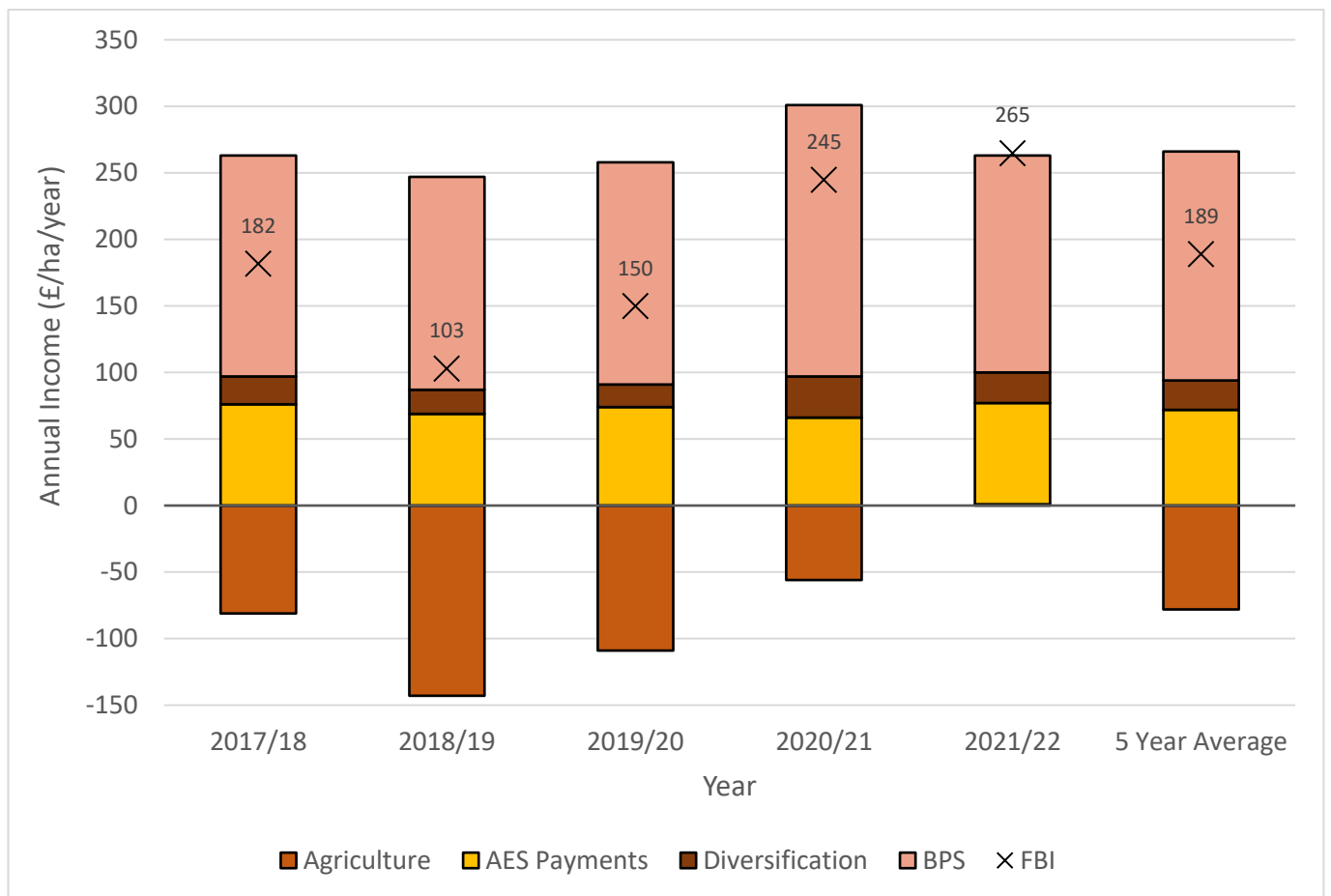


Table 4 Average annual FBI for LFA Grazing Livestock farms, by year and farm income category during 2017/18–2021/22 (£/ha/year)

	2017/18	2018/19	2019/20	2020/21	2021/22	5-year average
<b>Agriculture</b>	-£81	-£143	-£109	-£56	£1	-£78
<b>AES</b>	£76	£69	£74	£66	£76	£72
<b>Diversification</b>	£21	£18	£17	£31	£23	£22
<b>BPS</b>	£166	£160	£167	£204	£163	£172
<b>Total FBI</b>	£182	£103	£150	£245	£265	£189
<b>FBI without diversification</b>	£161	£86	£132	£214	£240	£166

### 1.3.5 Dairy

In contrast to LFA and lowland livestock grazing farms, average net agricultural returns for dairy farms in England were relatively high at £428/ha/year, representing on average 58% of total FBI or 63% without diversification. Agricultural returns were lowest in 2018/2019 at £246/ha/year, rising steadily in subsequent years to £631/ha/year in 2021/22. AES and diversification made up smaller proportions of total income (4% and 8% on average respectively) than the arable and grazing farm types discussed above. BPS payments made up 30% of FBI, with a drop of 7% in 2021/22 compared to the year before, similar to other farm types.

Figure 5 Average annual FBI for Dairy farms, by year and farm income category during 2017/18–2021/22 (£/ha/year)

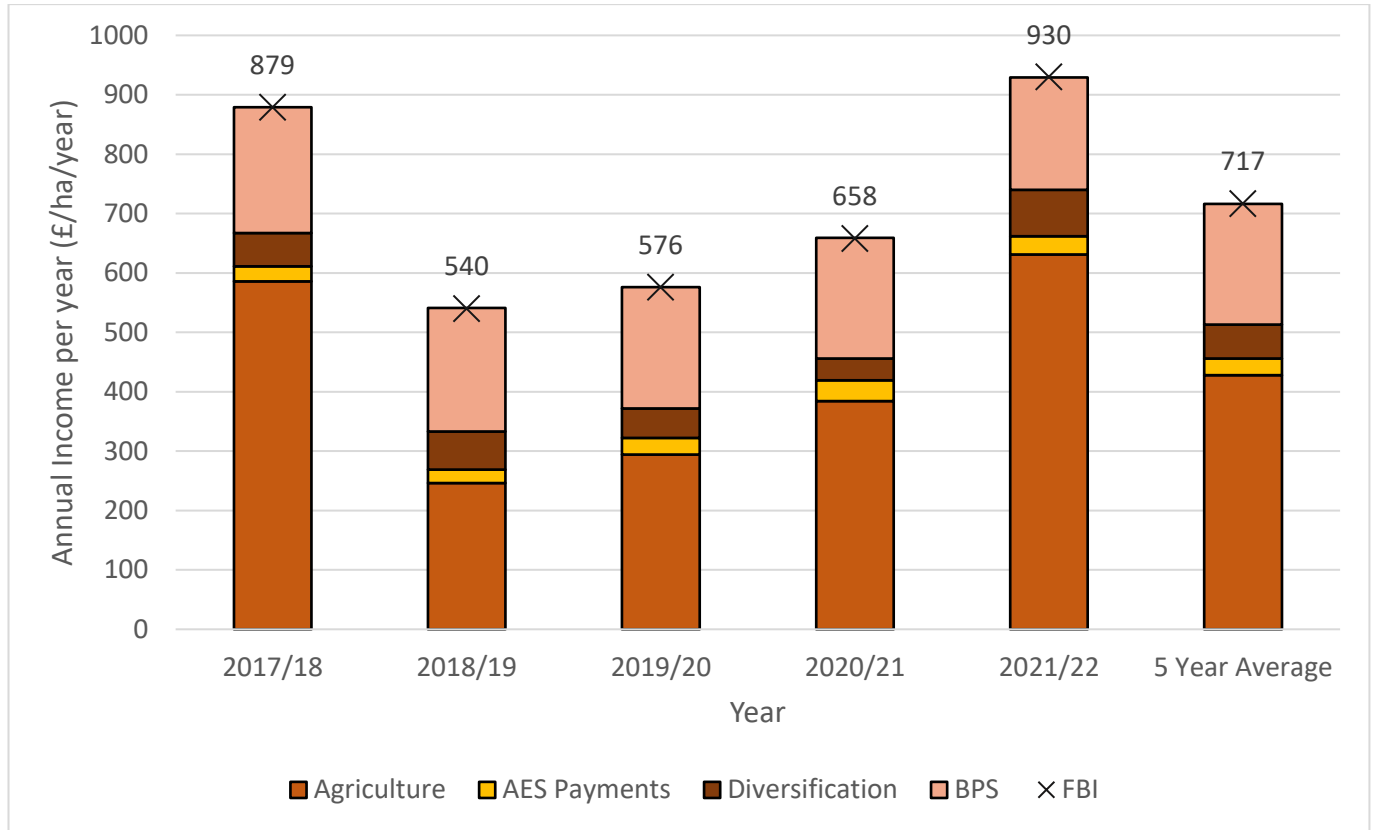


Table 5 Average annual FBI for Dairy farms, by year and farm income category during 2017/18–2021/22 (£/ha/year)

	2017/18	2018/19	2019/20	2020/21	2021/22	5-year average
<b>Agriculture</b>	£586	£246	£294	£384	£631	£428
<b>AES</b>	£25	£23	£28	£35	£31	£28
<b>Diversification</b>	£56	£64	£50	£37	£78	£57
<b>BPS</b>	£212	£208	£204	£203	£189	£203
<b>Total FBI</b>	£879	£540	£576	£658	£930	£717
<b>FBI without diversification</b>	£823	£477	£526	£622	£851	£659

## 1.4 Agriculture regional analysis

### 1.4.1 Cereals

Figure 6 Average annual FBI for Cereal farms, by region and income category during 2017/18–2021/22 (£/ha/year)

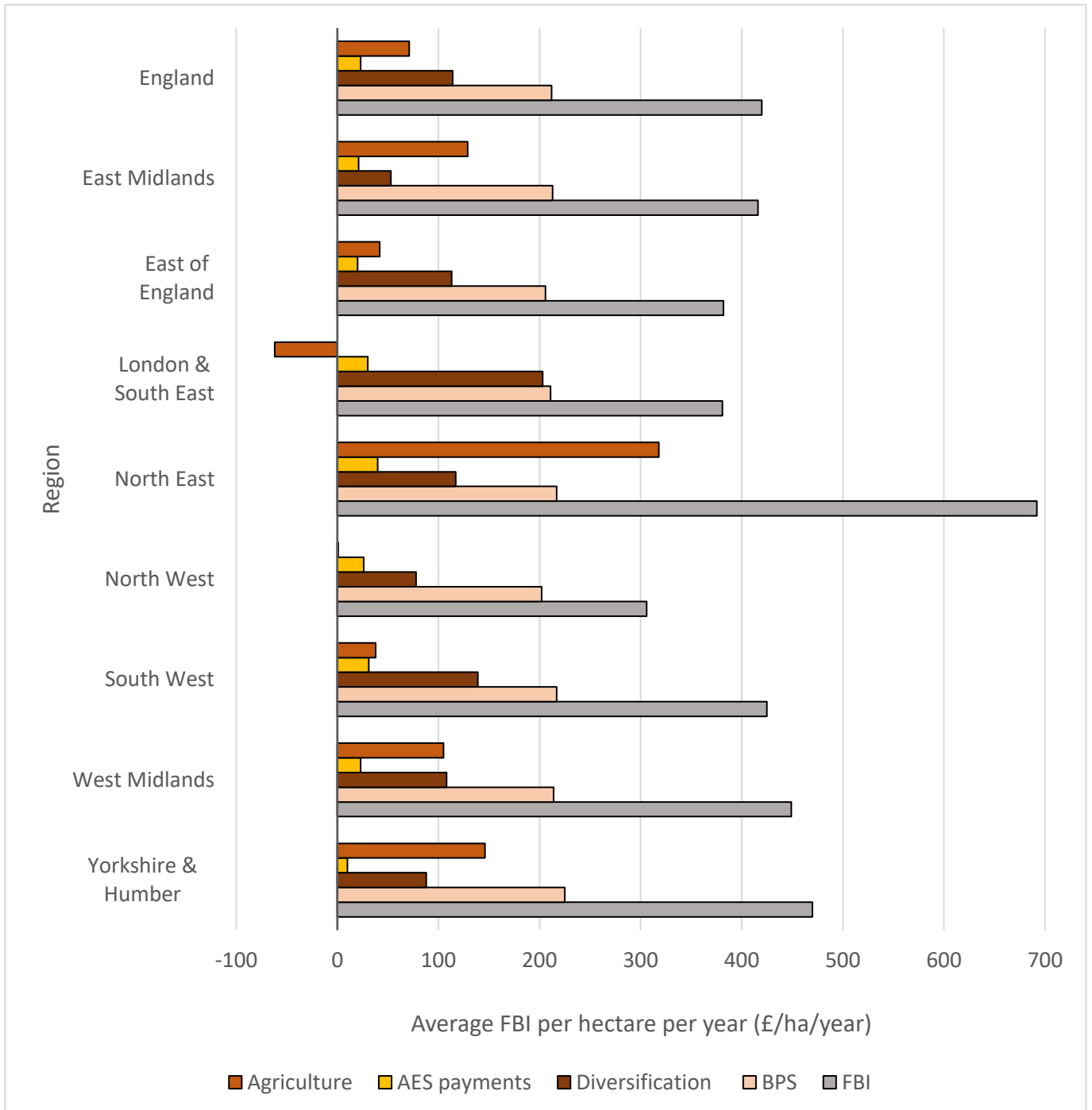


Table 6 Average annual FBI for Cereal farms, by region and income category during 2017/18–2021/22 (£/ha/year)

	Agriculture	AES	Diversification	BPS	FBI	FBI without diversification
<b>England</b>	£71	£23	£114	£212	£420	£306
<b>East Midlands</b>	£129	£21	£53	£213	£416	£363
<b>East of England</b>	£42	£20	£113	£206	£382	£269
<b>London &amp; South East</b>	-£62	£30	£203	£211	£381	£178
<b>North East</b>	£318	£40	£117	£217	£692	£575
<b>North West</b>	£1	£26	£78	£202	£306	£228
<b>South West</b>	£38	£31	£139	£217	£425	£286
<b>West Midlands</b>	£105	£23	£108	£214	£449	£341
<b>Yorkshire &amp; Humber</b>	£146	£10	£88	£225	£470	£382

Table 6 shows that farms in the Northeast of England had the highest average agricultural income (£318/ha/year) and FBI (£692/ha/year) of all cereal farms in England during the five-year period 2017/18–2021/22. The Northwest had the lowest FBI of all the regions (£306/ha/year), partly as a result of negligible average net income from agriculture. London and the Southeast was the only region to experience negative net income from agricultural production (-£63/ha/year) but compensated with higher-than-average diversification income (£203/ha/year).

#### 1.4.2 General Cropping

Of general cropping farms in England, the highest average net agricultural income during 2017/18–2021/22 was estimated for those in the West Midlands (£268/ha/year) – these farms also had the highest average FBI (£594/ha/year). In

contrast, farms in the East Midlands had the lowest estimated average FBI (as well as lowest agricultural, diversification, and AES income). Note that data for some regions were not available in the FBS due to small sample sizes.

Figure 7 Average annual FBI for General Cropping farms, by region and income category during 2017/18–2021/22 (£/ha/year)

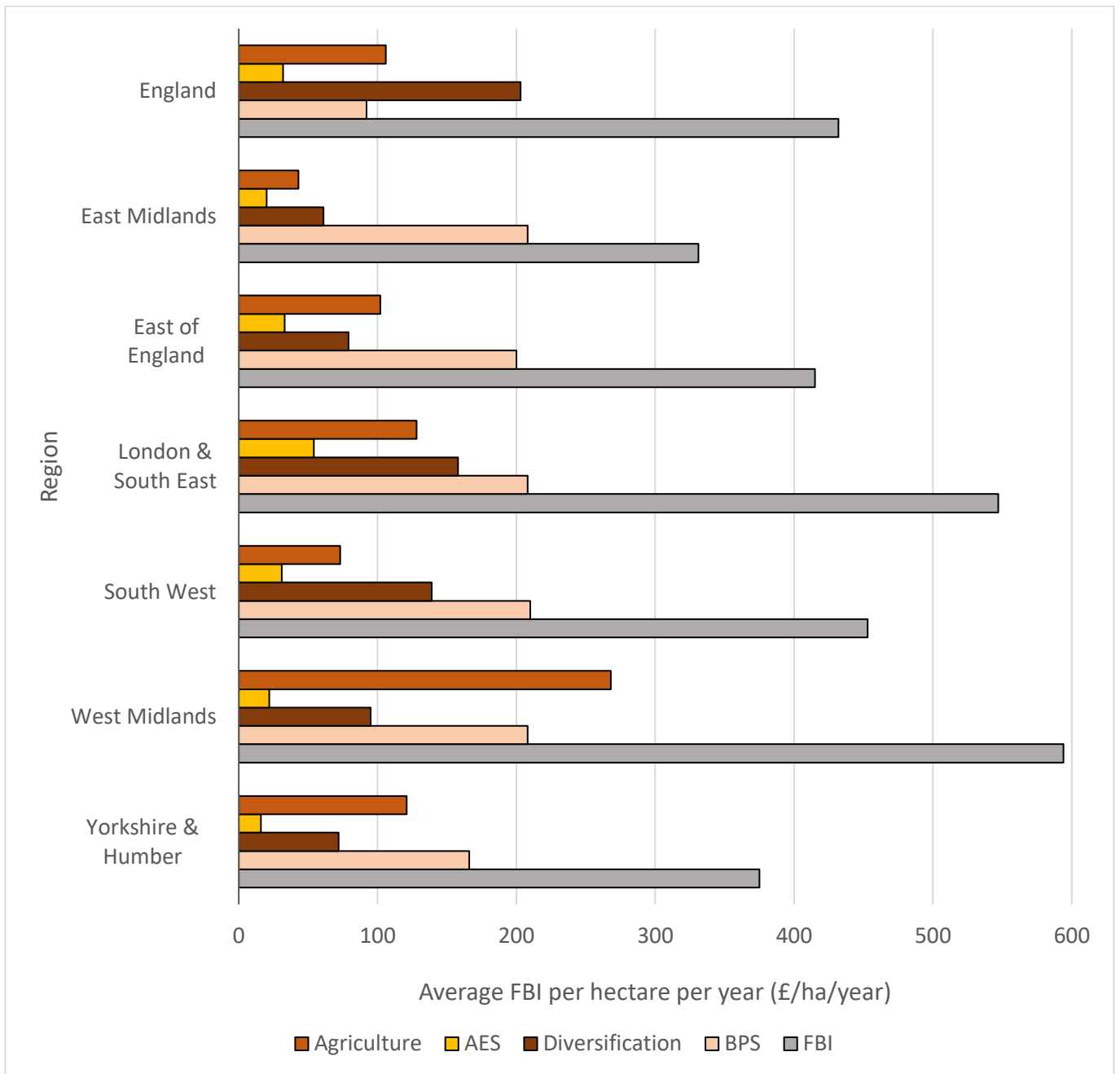


Table 7 Average annual FBI for General Cropping farms, by region and income category during 2017/18–2021/22 (£/ha/year)

	Agriculture	AES	Diversification	BPS	FBI	FBI without diversification
<b>England</b>	£106	£32	£92	£203	£432	£340
<b>East Midlands</b>	£43	£20	£61	£208	£331	£271
<b>East of England</b>	£102	£33	£79	£200	£415	£335
<b>London &amp; South East</b>	£128	£54	£158	£208	£547	£390
<b>South West</b>	£73	£31	£139	£210	£453	£314
<b>West Midlands</b>	£268	£22	£95	£208	£594	£498
<b>Yorkshire &amp; Humber</b>	£121	£16	£72	£166	£375	£303

### 1.4.3 Lowland Grazing Livestock

For lowland grazing farms average net agricultural income was negative in all regions during 2017/18 – 2021/22, with the most negative agricultural returns in the West Midlands (-£166/ha/year), London and the Southeast (-£153/ha/year), and the East of England (-£129/ha/year). The West Midlands and the East of England also experienced the lowest overall FBI (£154/ha/year and £196/ha/year respectively), London and the Southeast had relatively high diversification and AES income, with the second highest FBI (£252/ha/year) after Yorkshire and Humber (£273/ha/year).

Figure 8 Average annual FBI for Lowland Grazing Livestock farms, by region and income category during 2017/18–2021/22 (£/ha/year)

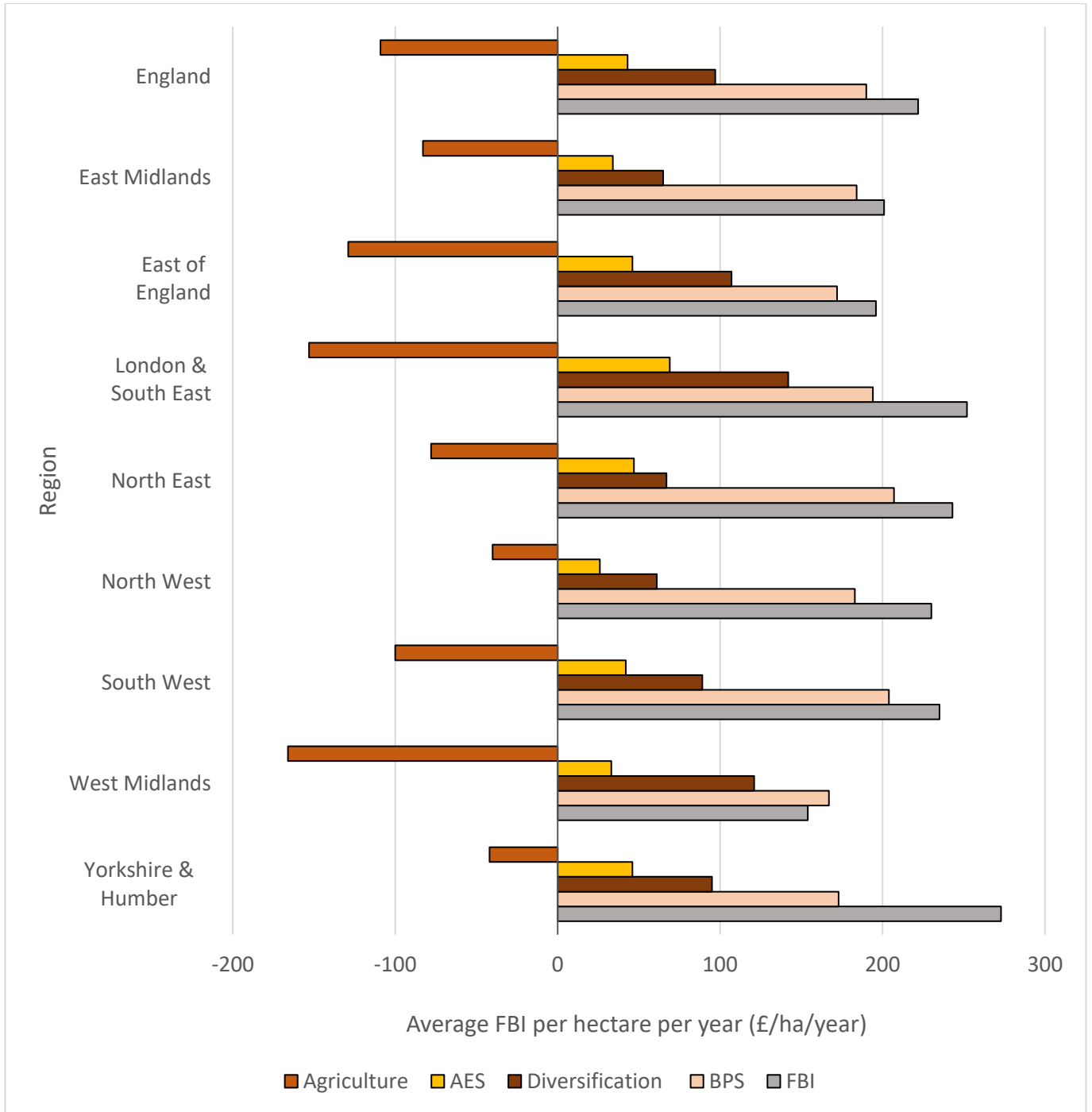


Table 8 Average annual FBI for Lowland Grazing Livestock farms, by region and income category during 2017/18–2021/22 (£/ha/year)

	Agriculture	AES	Diversification	BPS	FBI	FBI without diversification
<b>England</b>	-£109	£43	£97	£190	£222	£124
<b>East Midlands</b>	-£83	£34	£65	£184	£201	£135
<b>East of England</b>	-£129	£46	£107	£172	£196	£89
<b>London &amp; South East</b>	-£153	£69	£142	£194	£252	£110
<b>North East</b>	-£78	£47	£67	£207	£243	£176
<b>North West</b>	-£40	£26	£61	£183	£230	£169
<b>South West</b>	-£100	£42	£89	£204	£235	£146
<b>West Midlands</b>	-£166	£33	£121	£167	£154	£34
<b>Yorkshire &amp; Humber</b>	-£42	£46	£95	£173	£273	£177

#### 1.4.4 Less Favoured Areas (LFAs)

As with lowland grazing farms, average net agricultural income of LFA grazing farms was negative in all regions during 2017/18–2021/22. It was least negative in the Northeast of England (-£25/ha/year) and most negative in the Northwest (-£95/ha/year) and Yorkshire & Humber (-£93/ha/year). This pattern was partly reflected in differences in FBI, with average FBI Average lowest in Yorkshire & Humber (£123/ha/year), the East Midlands (£177/ha/year), and the Northwest (£184/ha/year). The Northeast and the Southwest of England had the highest FBI (£241/ha/year and £247/ha/year respectively). In the Southwest, relatively high BPS payments offset relatively large agricultural losses. Data for some regions were not available from the FBS due to small sample sizes.

Figure 9 Average annual FBI for LFA Grazing Livestock farms, by region and income category during 2017/18–2021/22 (£/ha/year)

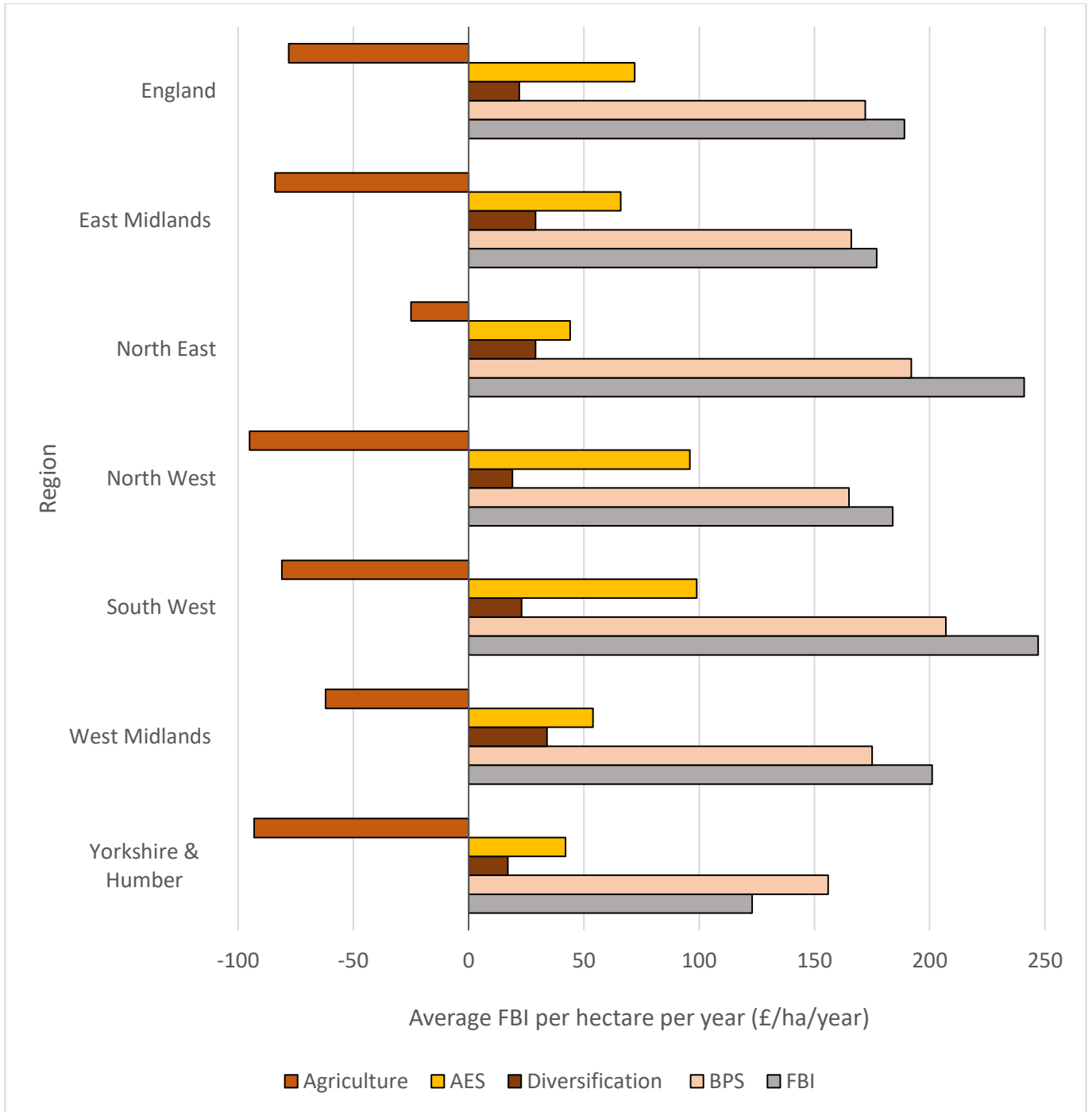


Table 9 Average annual FBI for LFA Grazing Livestock farms, by region and income category during 2017/18–2021/22 (£/ha/year)

	Agriculture	AES	Diversification	BPS	FBI	FBI without diversification
<b>England</b>	-£78	£72	£172	£22	£189	£166
<b>East Midlands</b>	-£84	£66	£166	£29	£177	£148
<b>North East</b>	-£25	£44	£192	£29	£241	£211
<b>North West</b>	-£95	£96	£165	£19	£184	£166
<b>South West</b>	-£81	£99	£207	£23	£247	£225
<b>West Midlands</b>	-£62	£54	£175	£34	£201	£167
<b>Yorkshire &amp; Humber</b>	-£93	£42	£156	£17	£123	£105

#### 1.4.5 Dairy

Of dairy farms in England, during 2017/18–2021/22 Yorkshire and Humber had the highest average FBI of all regions in England (£909/ha/year), with 74% arising from agricultural activities. Conversely, the lowest average FBI was found in London and the Southeast (£198/ha/year), with the lowest income in all four categories. Average diversification income in the East Midlands was more than double the national average. Note that data for some regions were not available in the FBS due to small sample sizes.

Figure 10 Average annual FBI for Dairy farms, by region and income category during 2017/18–2021/22 (£/ha/year)

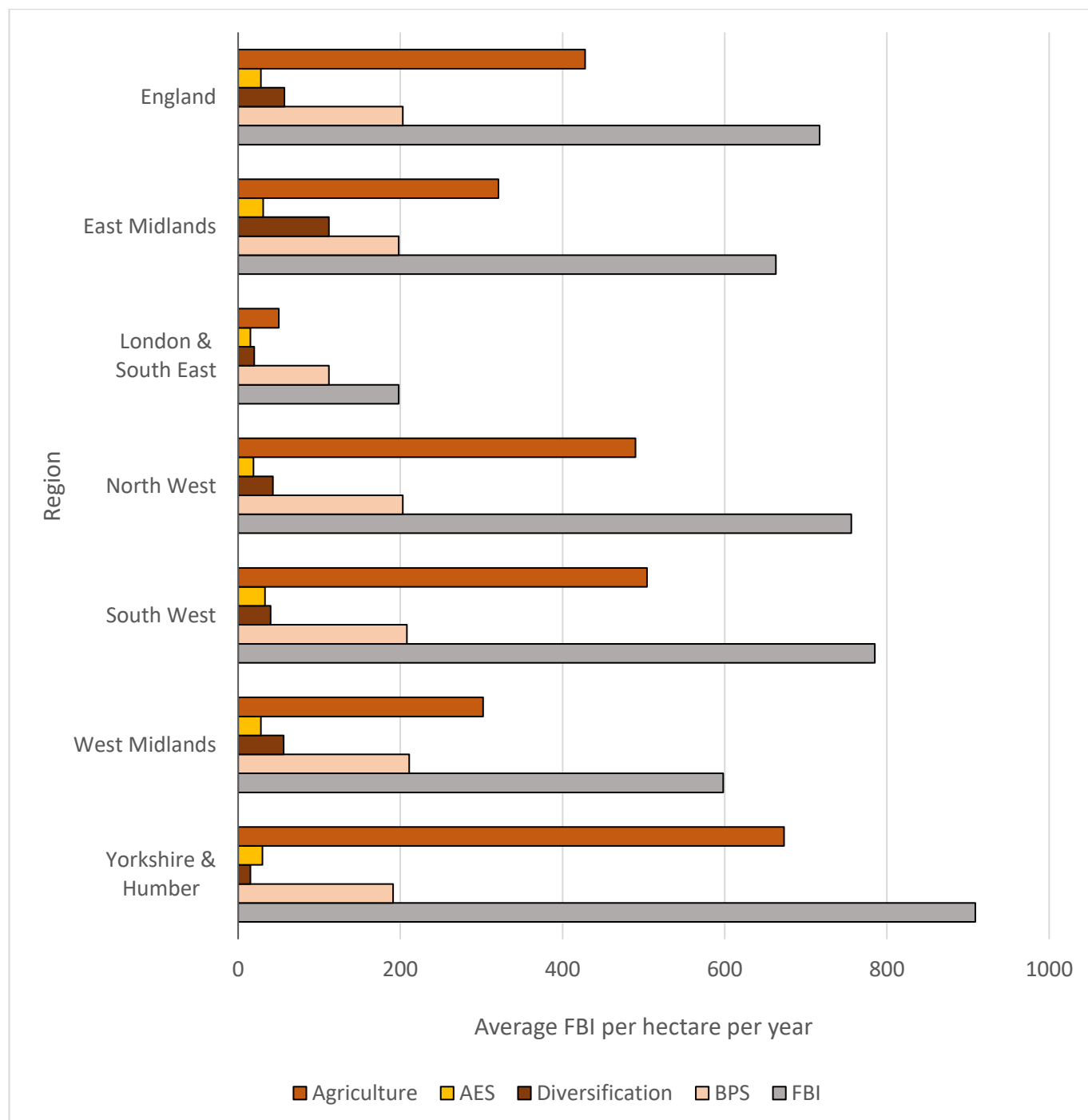


Table 10 Average annual FBI for Dairy farms, by region and income category during 2017/18–2021/22 (£/ha/year)

	Agriculture	AES	Diversification	BPS	FBI	FBI without diversification
<b>England</b>	£428	£28	£57	£203	£717	£659
<b>East Midlands</b>	£321	£31	£112	£198	£663	£550
<b>London &amp; South East</b>	£50	£15	£20	£112	£198	£177
<b>North West</b>	£490	£19	£43	£203	£756	£712
<b>South West</b>	£504	£33	£40	£208	£785	£745
<b>West Midlands</b>	£302	£28	£56	£211	£598	£541
<b>Yorkshire &amp; Humber</b>	£673	£30	£15	£191	£909	£894

## 2 Renewable Energy

### 2.1 Anaerobic Digestion

AD decays organic materials such as livestock slurry and/or manure by bacteria in controlled airtight tanks or covered lagoons/ponds (AHDB, 2023; Lukehurst et al., 2015a), producing biogas and a digestate, and significantly reduced methane emissions and nitrous oxide pollution compared to traditional manure management. See the Abbreviations and Glossary for more details on the technology itself. This section of the appendix presents the relevant policies, estimates of land use dedicated to AD and available evidence on potential returns from AD.

#### 2.1.1 Policy and financial incentives

Table 11 Support and subsidy schemes available for AD for energy generation (past and present).

Renewable technology	Current policies	Policies closed to new applicants
Anaerobic digestion	Green Gas Support Scheme	<p>≤ 5 MW: Feed-in Tariff (2010–2019)</p> <p>Renewables Obligation (2002–2017)</p> <p>Non-domestic Renewable Heat Incentive (2011–2021)</p>

From November 2021, the Green Gas Support Scheme (GGSS) has provided quarterly payments on 15-year contracts to new AD biomethane plants. It is funded by the Green Gas Levy (GGL), a quarterly levy on licensed gas suppliers. At present, the scheme will be open to new applicants until November 2025. Table 12 shows the tariff rates available in 2023/24, based on the amount of eligible biomethane injected into the national gas distribution network (Ofgem, 2023). AD is also eligible for the SEG (see Section 4.2.1 of the main report).

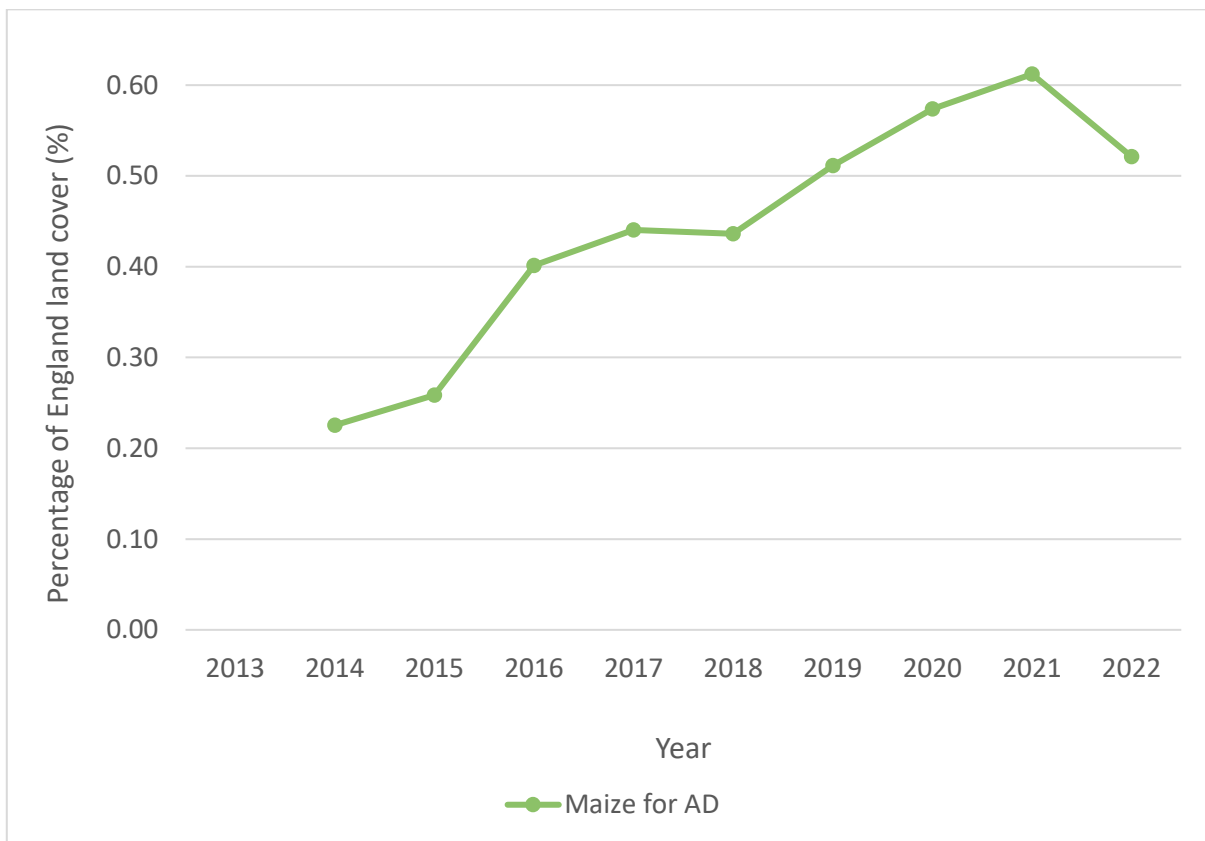
Table 12 Tariffs available under the GGSS.

Tier/Output exported to National Grid	Tariff (p/kWh)
Tier 1 (0-60,000 MWh/year)	6.09
Tier 2 (60,001 – 100,000 MWh/year)	3.90
Tier 3 (100,001 – 250,000 MWh/year)	1.72

For more information on the schemes closed to new applicants, see section A1.8 of the main report.

### 2.1.2 Land cover

Figure 11 Percentage of total England land cover used for growing maize for anaerobic digester feedstocks.



Source: Defra (2023a)

N.B. England land area relates to the total land area to high water, excluding inland water area (13,031,047 ha) (ONS Geography, 2023).

As of October 2023, an estimated 262 AD facilities operated using agricultural feedstocks in England, with a combined electrical generation capacity of 182 MWe and total feedstock capacity of 7.74 million tonnes per annum (ADBA, 2023). In the UK as a whole, 80.8% of AD installations were exclusively CHP as of March 2023, 17.4% both CHP and biomethane conversion, while only very small numbers either only export biomethane to the grid, or directly use biogas for heating or cooking onsite (ADBA, 2023).

Anaerobic digesters themselves require little land (diameters can range from 2.75–30.5m, translating to a surface area of 6–731m<sup>2</sup>) (TFWarren, 2023). However, to maximise AD efficiency, energy crops such as maize and grass silage with higher energy density are needed to supplement slurry in most cases, especially during winter months when livestock are mostly housed indoors (185–200 days/year) (Hopwood, 2011).

While data is unavailable for all energy crops used by AD facilities, in June 2023 there were 72,684 ha planted with maize for AD in England (0.56% of England land area) (Defra, 2023a). This represents a rapid increase of almost 250% since records began in 2014: see Figure 11. It is also worth noting that the larger the digester, the higher the proportion of energy crops needed to maximise the internal rate of return and energy output. An NNFFC report modelled on-farm digesters using various feedstocks (with FIT payments but no RHI payments) and predicted that 130-cow farms are only profitable when running on slurry alone as feedstock, a 250-cow farm would require 29 ha of land dedicated to a maize energy crop per year, and a 500-cow farm would require 160 ha (Hopwood, 2011).

### 2.1.3 Potential returns

According to the IEA, where an AD facility is wholly externally funded by developers, a landowner in the UK can expect to be paid rent of around £60,000–£100,000 per facility (McCabe *et al.*, 2020). Assuming a contract of 20 years, this would give the equivalent of around £3,000–£5,000 of income per year. Additional

annual income is also available of around 2% of the developer's profits and regular income from the guaranteed price/ton from the sale of silage or other feedstocks (McCabe *et al.*, 2020). Given the low space required for an AD facility itself, this would take very little land out of production (~0.00–0.07 ha (TFWarren, 2023)). It should be noted however that many previous subsidy schemes such as the RHI, RO, and FiT are no longer open to new applicants, likely reducing developer profits and potentially ground rents.

Income per hectare for land managers investing in their own AD facilities is challenging to estimate as it varies considerably depending on subsidies available, the type and size of digester, digester efficiency, and whether slurry is available year-round or must be supplemented with energy crops (and if energy crops are grown onsite or bought in). The most up-to-date estimates for returns from AD find that for a 145kW digester with CHP, consuming 100% of electricity onsite and 70% of heat (exporting the rest at 5.5p/kWh) without subsidies, electricity import prices must be 14.9p–24.26p/kWh to achieve a 10% IRR (Bywater and Kusch-Brandt, 2022). The average 2022–2023 non-domestic electricity import price excluding the CCL was 21.97p/kWh (BEIS, 2024). Capital costs are estimated at £0.9m–£1.6m for various designs (Bywater and Kusch-Brandt, 2022).

# Appendix

## Abbreviations & glossary

Table 13 Abbreviations

Abbreviation	Description
AD	Anaerobic Digestion
AES	Agri-environment Scheme
BPS	Basic Payment Scheme
CAP	Common Agricultural Policy
CCL	Climate Change Levy
CHP	Combined Heat and Power
CS	Countryside Stewardship
DA	Disadvantaged Area
ELMS	Environmental Land Management Scheme
ELS	Entry Level Stewardship
FBI	Farm Business Income
FBS	Farm Business Survey
FiT	Feed-in Tariff
GGL	Green Gas Levy
LFA	Less Favoured Areas
LR	Landscape Recovery
LUC	Land Use Change
NCF	Nature for Climate Fund
PES	Payments for Ecosystem Services

RHI	Renewable Heat Incentive
RO	Renewables Obligation
ROC	Renewables Obligation Certificate
SEG	Smart Export Guarantee
SDA	Severely Disadvantaged Area
SO	Standard Output

Table 14 Glossary

Terms	Descriptions
Anaerobic Digestion	Anaerobic digestion decays organic materials such as livestock slurry and/or manure by bacteria in controlled airtight tanks or covered lagoons/ponds (AHDB, 2023; Lukehurst et al., 2015a). In the absence of oxygen, biogas and a digestate are produced with significantly reduced methane emissions and nitrous oxide pollution compared to under traditional manure management. The digestate can be applied as a biofertilizer, offsetting the need for chemical fertilizer (Lukehurst et al., 2015b) while the biogas can either be burnt in a boiler for heating buildings and water on-farm, or a Combined Heat and Power (CHP) plant can be connected to create renewable electricity (Bywater, 2011). A further alternative is to install specialised units to upgrade biogas to biomethane to be exported to the national gas grid (Lukehurst et al., 2015b).
Cereal Farms	"Holdings on which cereals, combinable crops and set aside account for more than two thirds of the total Standard Output (SO) and where set aside alone does not account for more than two thirds of the total SO" (FBS, 2014).
Dairy	"Holdings on which dairy cows account for more than two thirds of their total SO" (FBS, 2014).
Farm Business Income (FBI)	Farm Business Income represents the net financial returns to unpaid labour (farmers) and on their capital invested in the farm business, including land and buildings.

General Cropping	"Holdings on which arable crops (including field scale vegetables) account for more than two thirds of their total SO excluding holdings classified as cereals; holdings on which a mixture of arable and horticulture crops account for more than two thirds of their total SO excluding holdings classified as horticulture and holdings on which arable crops account for more than one third of their total SO and no other group accounts for more than one third" (FBS, 2014).
Horticulture	"Holdings on which fruit (including vineyards), hardy nursery stock, glasshouse flowers and vegetables, market garden scale vegetables, outdoor bulbs and flowers, and mushrooms account for more than two thirds of their total SO" (FBS, 2014).
Income category/cost centre	Categories of income relating to agricultural land use. Those used in the FBS are: (1) Agriculture; (2) Agri-environment and other Payments; (3) Diversification out of Agriculture; (4) Basic Payment Scheme.
LFA Grazing Livestock	"Holdings on which cattle, sheep and other grazing livestock account for more than two thirds of their total SO except holdings classified as dairy. A holding is classified as a LFA holding if 50 % or more of its total area is in the LFA." (FBS, 2014)
Lowland Grazing Livestock	"Holdings on which cattle, sheep and other grazing livestock account for more than two thirds of their total SO except holdings classified as dairy. A holding is classified as lowland if less than 50 per cent of its total area is in the LFA"(FBS, 2014)
Mixed Farms	"Holdings in which none of the above categories is responsible for more than 2/3 of SOs. This category includes mixed pigs and poultry farms as well as farms with a mixture of crops and livestock (where neither accounts for more than 2/3 of SOs)" (FBS, 2014).
Pig Farms	"Holdings on which pigs account for more than two thirds of their total SO" (FBS, 2014).
Poultry Farms	"Holdings on which Poultry account for more than two thirds of their total SO" (FBS, 2014).

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