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Lloyds Publishes Industry-leading Farming Report to help Clients Tackle Climate and Nature Risk

- ‘Farming with Nature’ is the largest mapping ever undertaken of how UK farmland interacts with nature with 5.1 million hectares analysed
- This includes 1.2 million hectares for habitat creation and 1.3 million hectares where tree planting and water management can build greatest resilience
- The report covers potential benefits across farm types, including a £61,000 saving for 400-hectare arable system in the West Midlands

How farming interacts with nature

Farming with Nature: Mapping the Growth Opportunity for UK Agriculture is the most comprehensive analysis of its kind, mapping 5.1 million hectares, almost a third of the UK’s farmed land, using geospatial data, on-farm assessments and new economic insight.

The report also marks the introduction of Lloyds’ Agricultural Transition Finance, a new product launching later this year, designed to support farmers transitioning to more sustainable and regenerative systems.

Following the warmest spring and summer on record, this report pinpoints how farmers can achieve the greatest financial returns while addressing mounting risks from climate change and biodiversity loss.

Translating insight into impact

The report identifies 1.2 million hectares of UK farmland with the highest potential for habitat creation that can act as carbon stores and boost beneficial species. It has also identified 600,000 hectares prime for tree and hedge planting, to help farms reduce flood risk and soil erosion, while improving water retention and biodiversity. With drought now 70 times more likely due to climate change, managing a farm’s water system has never been more important. Our analysis shows 700,000 hectares in drought-prone regions that could benefit from improved water management.

These above-ground insights are already delivering tangible benefits for farming businesses on the ground. In a 400-hectare arable system in Warwickshire it is suggested farmers could save up to £61,000 annually by adopting practices such as cover cropping, more diverse rotations and legume fallows. At another 154-hectare mixed system in Shropshire, rainwater is being harvested for livestock and a switch to a fully grass-based regenerative cattle system has already saved owners £30,000 by cutting the ad-lib feed bill.

New partnerships and products to drive sustainable farming

Andrew Walton, Chief Sustainability Officer at Lloyds Banking Group said: “This report marks a major step forward in understanding how farming and nature interact across the UK. Our latest insights show how targeted support can strengthen farming businesses and help restore ecosystems, but challenges remain. As the UK’s largest



agricultural finance provider, we're committed to supporting individual farming businesses that sit at the heart of the UK's rural economy."

No one size fits all approach

Crucially, the report combines detailed national and regional opportunities, identifying where specific practices will deliver the greatest impacts for farmers and rural businesses.

In East Anglia, where water scarcity is a major concern, tree planting and cover cropping are recommended to improve soil health and water retention. In Scotland, with its high soil carbon, crop rotation and targeted nutrient management can enhance soil quality and reduce runoff. For Wales, where livestock farming dominates, rotational and mob grazing can boost soil fertility and water quality, while in the drought-prone South West, improved slurry management, rainwater harvesting and reservoir creation will strengthen resilience and cut costs.

Lee Reeves, UK Head of Agriculture at Lloyds Bank, adds: "Every farm is unique and there's no one-size-fits-all solution. As the largest provider of finance to the sector, we know that farmers are best placed to decide how to manage their businesses, but key industry partners need to support them. Our new Agricultural Transition Finance loan is designed to help ease cashflow pressures, while supporting long-term resilience and positive outcomes for nature and the environment. It's all part of our commitment to support farmers with data-driven insight, practical advice and a range of financing options that can help them succeed with more sustainable farming systems."

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Editor's notes

About Lloyds Banking Group

- Lloyds Banking Group is a leading UK based financial services group providing a wide range of banking and financial services, focused on personal and commercial customers.
- We help businesses from all parts of the UK, and across all different sectors and sizes, giving them the funding and support they need to grow both at home and abroad.
- Lloyds Banking Group, through Lloyds Bank, Bank of Scotland and AMC, is the leading financier of agriculture.
- We aim to demonstrate our support for the sector in a difficult external environment, leading with our support for sustainability and transition to net zero.
- With a network of relationship teams across the UK, Lloyds Banking Group through Lloyds Bank, Bank of Scotland and AMC, delivers the mix of local understanding and sector expertise necessary to provide long-term support to its clients.

To find out more about how we support UK agriculture, please visit: [Agriculture industry expertise](#) | [Industry expertise](#) | [Lloyds Bank](#)