

Incentive offers options for level of commitment

Details of the pilot of the Sustainable Farming Incentive (SFI) - the next step in the Government's landmark plans to reward farmers and land managers for sustainable farming practices - were published last week. Land agent and surveyor expert, **Hugh Townsend**, takes a closer look at the payment framework



THE Sustainable Farming Incentive (SFI) has opened for expressions of interest, which must be made by April 11, to start an agreement in 2022.

The payments will be on top of the Basic Payment Scheme (BPS) payment. The SFI is tier one of the Environmental Land Management (ELM) scheme.

We now know that the SFI combines area-based payments for managing land in a manner deemed to be more environmentally friendly. Payments vary according to land use, and split into different levels which are intended to increase the payment according to the amount of work done. Some land uses are also split into "land management" and "soil management".

A number of different requirements must be met to qualify for each level and so earn the payment, which also differ according to land use. For example, to receive the "introductory" £27/ha payment for improved grassland, sward height must not be grazed below a minimum level, some margins must be left uncut, a nutrient management plan must be followed and some "small" areas must be taken out of cutting and grazing management, and cover must be maintained over historical features.

To then reach the £62/ha "intermediate" payment, all of the introductory requirements must be met and also silage cuts must be timed around breeding birds, ditches must be managed rotationally, nitrogen and slurry inputs must be reduced and managed and some legume and clover rich swards must be planted.

To then reach the £97 "advanced" payment rate, both intermediate and introductory requirements must be met, but the

Payment rates available in the SFI pilot

Land use	Introductory Level Payment	Intermediate Level Payment	Advanced Level Payment
Arable	£28/ha	£54/ha	£74/ha
Arable (soils)	£30/ha	£47/ha	£59/ha
Arable (total)	£58/ha	£101/ha	£133/ha
Improved grassland	£27/ha	£62/ha	£97/ha
Improved Grassland (soils)	£6/ha	£6/ha	£8/ha
Improved Grassland Total	£33/ha	£68/ha	£105/ha
Unimproved Grassland	£22/ha	£89/ha	£110/ha
Hedgerows	£16/100m	£21/100m	£24/100m
Woodland Management	£49/ha	(not available)	(not available)
Waterbody Buffering	£16/100m	£29/100m	£34/100m

minimum sward height is increased, some ryegrass must be allowed to seed, precision fertiliser application must be used and nutrients must be applied according to soil mapping. Information for other land uses can be found in the policy paper, 'Sustainable Farming Incentive: Defra's plans for piloting and launching the scheme', available online at the www.gov.uk website.

A similar "stepped" system with increasing requirements will be in place for all of the land uses above except for woodland, for which for now there is only an introductory management option. The Government's objective is that this allows a level of flexibility as farmers can choose their level of commitment, although for now each claimant can only claim one level of each land use at a time, e.g. you could not manage some of your hedgerows to "introductory" level but others to "intermediate".

Some land uses also allow an additional payment for flood management if in a flood risk zone. In addition to the area-based payment, there will also be an unspecified "participation payment" for

anyone choosing to be part of the scheme. In particular, we see that moorland BPS claimants, whose holdings will generally predominantly be unimproved grassland, could see a substantial increase in payment rate under the new scheme. In 2020, the payment rate for Moorland claims was £63.95/ha. If they can reach "advanced level" SFI, this would increase to £105/ha under the pilot scheme.

In contrast, SDA and Non-SDA claimants appear to face a substantial reduction even if they can reach "advanced" level. However, this may be offset somewhat by payments now available for management of hedgerows, woodland and waterbody buffers. The payment rates are just for the pilot, which is to be claimed on top of the BPS. The payment rates may perhaps increase as the BPS is reduced further and more money becomes available, but they could also be reduced.

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> A wildflower margin on the edge of an arable field. The Sustainable Farming Incentive (SFI) will reward farmers and land owners for delivering public goods such as biodiversity and cleaner air and water