

Increasingly attractive SFI option

DEFRA have confirmed that those providing public benefits under an SFI will be able to sell their environmental goods to both government sources and on the open market where companies look to offset their footprint. To this end DEFRA intend to develop and promote private markets for these services. Whilst light on details, it is good news for those concerned about being committed to one sector or the other and means there is more to consider than just the initial payment for completing environmental actions, making the SFI an increasingly attractive option.

There is now confirmation of the four options available to applicants applying for the SFI in 2022:

- Arable and horticultural soils standard
- Improved grassland soils standard
- Moorland and rough grazing standard
- Annual Health and Welfare Review

These standards will be open to those eligible for payments under BPS and applications open in spring 2022 via a digital service on GOV.UK. As previously indicated the scheme will be open to those who already have an agreement under an existing agri-environment scheme (such as Countryside Stewardship and Environmental Stewardship) as long as the standard they choose is compatible with the existing agreement and does not result in double payment for similar activities. Countryside Stewardship will still be open for applications in 2022 and 2023, with the last agreements starting in 2024. Final versions of this initial set of standards will be released by November 2021.

Payment rates for soil standards

These will be confirmed in November 2021, the rate for the moorland and rough grazing standard is still under development.

Improved grassland soils (per hectare):

- introductory: £26
- intermediate: £44

The Sustainable Farming Incentive is becoming a more attractive option for farmers, says land agent and surveyor **Hugh Townsend**



- advanced: £70
- Arable and horticultural soils (per hectare):
- introductory: £26
- intermediate: £41
- advanced: £60

Payments for Annual Health and Welfare Review

This will fund a yearly visit from a vet. It is expected to range from approximately £269 to £775, varying by species:

- Available initially for all commercial cattle, pig and sheep keepers who are eligible for BPS.

- This is a time limited offer for three years.

DEFRA have provided a list of standards currently under consideration which may become available as the scheme progresses:

- agroforestry standard
- hedgerows standard
- arable and horticulture land standard
- waterbody buffering standard.
- improved grassland standard
- low and no input grassland standard
- farm woodland standard
- dry stone walls standard
- heritage standard
- farmyard infrastructure standard
- orchards and permanent crops standard
- peat soils standard

Landscape Recovery

This will focus on the delivery of landscape and ecosystem recovery through

long-term, land use change projects. Funding for these projects may be a combination of private and public sources with at least 10 projects to launch between 2022 and 2024:

- Proposed to be available to applications from sites of between 500 to 5,000 hectares
- May be undertaken by collaborative groups of farmers and land managers, individuals, or organisations such as non-government organisations

- Open for applications in the autumn 2021.

The big news is that SFI claims can be combined with private sector funding, either directly for environmental activity or through carbon or biodiversity offsets. The aim will be to maximise "ecosystem services" - economically valuable benefits from the environment. With increased predictions of the Government developing a certification of soil carbon and the intention to develop and support private markets; this could dramatically increase rural income as "Natural Capital" is valued on an open market basis and becomes tradeable as we head towards 2050.

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