

What to do before you sign up for SFI scheme

From tomorrow, farmers will be able to apply for the Government-funded Sustainable Farming Incentive (SFI). Land agent and surveyor expert **Hugh Townsend** provides a refresher of what the scheme entails



DEFRA have announced the wider roll out of the Sustainable Farming Incentive (SFI) will be open for applications from Thursday, June 30.

As the Basic Payment Scheme (BPS) winds down, with the last claims to be put in next year before delinkage payments from 2024, many are wondering how the replacement schemes will work in comparison. The SFI is probably going to be the most popular scheme, with Defra hoping that over 70% of all farmers will put their land into this scheme and it will represent the largest slice of funding allocated for Environmental Land Management (ELM).

Whilst it does not provide the same level of assistance on an area basis, this long-awaited scheme encourages the management of land in a way that may eventually improve sustainable food production whilst farming in what the Government considers to be a more environmentally sustainable fashion.

There are several key differences between this and other Agri-environment schemes, one being the absence of a specific application window. After the opening date, an applicant may apply for an SFI agreement at any time of the year. A further difference is that payment will be received on a quarterly basis, helping cashflow. Each agreement lasts three years, with the option to add more land or standards on a yearly basis creating a greater degree of flexibility although reducing ambition levels and hectareage is only allowed in exceptional circumstances. It will be open to any farmer who currently receives BPS payment.

An SFI agreement could almost be viewed as an expansion upon Countryside Stewardship rather than something covering the loss of BPS. However, one advantage is the ability to combine SFI with a farm's other uses of 'Natural Capital'. Schemes involving carbon sequestration and Biodiversity Net Gain offset for

example may be stacked on the same land used for SFI as long as they are not being paid for the same outcomes twice.

Standards

An agreement involves the selection of standards to apply to a specific parcel, each standard may then be classed as 'introductory' or 'intermediate' in ambition level which affects both the actions required and the payment received. There will eventually be an 'advanced' ambition level for each standard as is already the case in SFI Pilots. Likewise, the variety of standards will increase from the three currently available arable and horticultural soils, improved grassland soils, moorland.

There will also be an Animal Health and Welfare payment sepa-

Defra is hoping that over 70% of farmers will put their land into the SFI scheme

HUGH TOWNSEND

rate to the above standards. This will pay for an annual vet visit with differing payments based on livestock type. Common land will receive an additional annual payment of £6.15/ha.

The intention is for further standards to be added each year, increasing the type of land that may be involved. Whilst subject to confirmation this may include the likes of Agroforestry, Low and No Input Grassland, Farmland Biodiversity, Nutrient Management, Integrated Pest Management, Hedgerows, Organic, On-farm Woodland, Orchards and Specialist Horticulture, Heritage, Dry Stone Walls Moorland and Rough Grazing and Water Body Buffering.

At this stage there are no available capital items funding, although Countryside Stewardship capital



> It is anticipated that further standards such as moorland and rough grazing will be added to the Sustainable Farming Incentive (SFI) in future

Challacombe Farm

SFI STANDARDS: PAYMENT RATES

Arable and horticultural soils	Introductory	£22 per hectare
	Intermediate	£40 per hectare
Improved grassland soils	Introductory	£28 per hectare
	Intermediate	£58 per hectare
Moorland	Introductory	£10.30 per hectare
	Additional payment	£265 per agreement

grants may be used on land under an SFI agreement and the SFI may run on land already under BPS, Countryside Stewardship and Environmental Stewardship.

Next Steps

We would suggest reviewing which standards are best suited to each parcels. We can help explain the actions required and help update

land details as required. When considering land potential, it is now more important than ever to view a holding holistically and look at how these agreements can interact with each other to make the most of your 'Natural Capital'. Entering one type of agreement does not prohibit you from another and in many cases compliments what you are already trying to achieve.

■ **Hugh Townsend, FRICS, FAV, FCI Arb.** is the land agent / surveyor expert of the WMN Farming supplement and he may be contacted on 01392 823935 or htownsend@townsendcharteredurveyors.co.uk.