

Sustainable Farming Incentive

Defra has finally released much needed detail on the Sustainable Farming Incentive. It is now possible to make an informed decision as to whether or not to proceed with an application under the new scheme, to proceed with a Countryside Stewardship Scheme application or potentially a combination of the two.

This briefing paper is a summary of the key information.

'Actions' not 'Standards'

SFI was previously designed in a way that grouped multiple land management operations/actions into 'Standards', with three ambition levels each paying a different payment rate per hectare, per metre etc.

The concept of grouping multiple actions into 'Standards' has now been scrapped and in its place are simply 'Actions'. The net result is a more flexible scheme where farmers can pick and choose the 'Actions' that work best for them. The focus is very much on the outcomes so there is also a degree of flexibility as to how the actions are carried out.

There will be 23 actions to choose from, covering:

- soil health
- hedgerows
- integrated pest management
- nutrient management
- farmland wildlife on arable and horticultural land, and improved grassland
- buffer strips
- low input grassland

There is no minimum area of land required and the agreement can be based on as many or as few actions as works for the farm.

Tenants

Importantly, the permission of a Landlord to enter tenanted land into the SFI scheme is not required. An applicant will simply be asked to confirm that they expect to have management control of the land for the duration of the three year agreement.

Payment Rates

An SFI applicant will be paid three monthly for the actions undertaken. There will be an opportunity on the yearly anniversary of the start of the applicant's agreement to add more land or actions to receive further payments.



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Management Payment

In addition to the payments available for performing the actions, an annual management payment will also be paid to reflect the administrative costs of signing up and taking part. The management payment is £20 per hectare, for up to 50 hectares of land entered into the scheme.

Countryside Stewardship Scheme

It is possible to have both an SFI and CSS agreement, so long as there is no double funding. In practice there is a lot of cross over between the CSS options and SFI actions so it will be a case of systematically going through both schemes to determine what is appropriate for your farm.

SFI Actions 2023

The following table provides a breakdown of all SFI actions that are available:

Code	SFI action	Annual payment
Actions for soils		
SAM1	Assess soil, test soil organic matter and produce a soil management plan	£5.80 per hectare and an additional payment of £95 per agreement
SAM2	Multi-species winter cover crops	£129 per hectare
SAM3	Herbal leys	£382 per hectare
Actions for moorland		
MOR1	Assess moorland and produce a written record	£10.30 per hectare and an additional payment of £265 per agreement
Actions for hedgerows		
HRW1	Assess and record hedgerow condition	£3 per 100 metres – one side
HRW2	Manage hedgerows	£10 per 100 metres – one side
HRW3	Maintain or establish hedgerow trees	£10 per 100 metres – both sides
Actions for integrated pest management		
IPM1	Assess integrated pest management and produce a plan (this action applies to an SFI agreement, rather than a specific area of land (an 'agreement level SFI action'))	£989 per year
IPM2	Flower-rich grass margins, blocks, or in-field strips	£673 per hectare
IPM3	Companion crop on arable and horticultural land	£55 per hectare
IPM4	No use of insecticide on arable crops and permanent crops	£45 per hectare
Actions for nutrient management		
NUM1	Assess nutrient management and produce a review report (agreement level SFI action)	£589 per year
NUM2	Legumes on improved grassland	£102 per hectare
NUM3	Legume fallow	£593 per hectare
Actions for farmland wildlife on arable and horticultural land		
AHL1	Pollen and nectar flower mix	£614 per hectare
AHL2	Winter bird food on arable and horticultural land	£732 per hectare
AHL3	Grassy field corners and blocks	£590 per hectare
Actions for farmland wildlife on improved grassland		
IGL1	Take improved grassland field corners or blocks out of management	£333 per hectare
IGL2	Winter bird food on improved grassland	£474 per hectare
Actions for buffer strips		
AHL4	4m to 12m grass buffer strip on arable and horticultural land	£451 per hectare
IGL3	4m to 12m grass buffer strip on improved grassland	£235 per hectare
Actions for low input grassland		
LIG1	Manage grassland with very low nutrient inputs (outside SDAs)	£151 per hectare
LIG2	Manage grassland with very low nutrient inputs (SDAs)	£151 per hectare
Additional payments		
Additional common land payment (*if a group of 2 or more people apply for an SFI agreement on common land)		£6.15 per hectare*
SFI management payment (*up to the first 50 hectares entered into the relevant SFI actions, per SBI)		£20 per hectare*