

# PRESS RELEASE

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## LAUNCH OF THE SUSTAINABLE FARMING INCENTIVE (SFI) PILOT



Launch of the Sustainable Farming Incentive (SFI) Pilot provides an insight into future “payments for public goods”.

Farmers across the country will be looking carefully at the payment rates announced within the DEFRA SFI pilot, commencing in October 2021.

With the full launch of this scheme, dubbed the ‘First tier’ of the new Environmental Land Management Scheme (ELMS) marked for mid-2022, this announcement will provide food for thought on likely opportunities for farmers of all types.

The SFI has been based around 8 standards, with initial base rates included for the pilot depending on the levels entered into by applicants:

- arable and horticultural land standard (£28 - £74 per hectare)
- arable and horticultural soils standard (£30 - £59 per hectare)
- improved grassland standard (£27 - £97 per hectare)
- improved grassland soils standard (£6 - £8 per hectare)
- low and no input grassland standard (£22 - £110 per hectare)
- hedgerow standard (£16 - £24 per 100m)
- on farm woodland standard (£49 per hectare)
- waterbody buffering standard (£16 - £34 per 100m)

The payment rates for each are based on 3 levels: introductory, intermediate and advanced. Increasing payments depend on more demanding actions and provision of “public good” by the farmer.

A feature welcomed by land managers is the ability to layer or stack multiple standards such as an arable land, arable soils and hedgerow standard to one field parcel, thus increasing the value of payments.



It is envisaged by DEFRA that the scheme will be simple, unbureaucratic and technology-led with self-verification helping to reduce administrative burdens.

“This is the long awaited information that provides a flavour of what is to come from ELMS and its 3 tiers.” says Tom Bishop, Associate Partner at BCM LLP, rural property specialists.

“Although these rates are subject to change off the back of the pilot, this scheme is comparable to the incentives within the current Countryside Stewardship Scheme (CSS). With 3 levels for each standard, farmers have the flexibility to pick and choose their preferred options, helping to fit the scheme within their existing operations”.

Many businesses will already be adopting these environmental practices either within an existing scheme or through cross compliance for the Basic payment Scheme (BPS). Therefore, the SFI is designed to be achievable and replace much of the compliance required by the Common Agricultural Policy.

“Time will tell what the final scheme will look like but one thing is certain, the whole industry is in for a period of dramatic change over the next few years as the powers of the Agriculture Bill and directives of the upcoming Environment Bill take force”.

If you have any queries about the Sustainable Farming Incentive or any other current or planned schemes and would like some advice, please get in contact with BCM, who would be happy to help.

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For further information, please contact

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