

Agriculture Transition & Defra Schemes Update

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Updates covered today

- Agricultural Budget / Spending Review Reminders
- Delinked Payments
- Productivity Grants
- Business Related Support
- Animal Health & Welfare Review
- Countryside Stewardship & HLS Claims
- Countryside Stewardship Extensions / Capital Grants / Higher Tier
- Sustainable Farming Incentive
- Where to find more information and support



Agricultural Budget - where are we?

- **Budget October 2024** - set funding to 31 March 2026 – £2.4 bn - £1.8bn (75%) for ELMs / Tighter budgetary controls on scheme spend / Strategically looking at regulation
- **June 2025 - Spending Review** - set Government's departmental budgets for day-to-day spending until 2028-29, and until 2029-30 for capital investment.
 - Impacts on future spend:
 - **ELMs** - SFI & CS HT offers, Landscape Recovery etc.
 - **Capital & Productivity grants** – Environmental / Slurry / Water / other?
 - **Other spending** – Innovation / Advice / Animal Health & Welfare Pathway?



Agricultural Budget - Future

Indicative funding (£ million)	2026-27	2027-28	2028-29
Delinked payments	20	20	0
Environmental land management schemes	1,950	1,950	2,000
Other (productivity, innovation, transition)	350	300	250
Farming and Countryside Programme	2,320	2,270	2,250
Nature schemes	450	450	450
Farming and Nature total	2,770	2,720	2,700

- **Current Schemes** – Current agreements honoured where complied with - SFI 23&24 / HLS / HT&MT CS / Landscape Recovery / ELM Capital Grants and associated payments issued / ongoing productivity grants / Farming Innovation Programme
- **Future Support** – Spending starting to be set out: **Farming in Protected Landscapes / Landscape Recovery / Farmer Collaboration Fund / SFI 26** / Await to see what headroom for SFI 26 and any other support offers



Delinked Payments

- **2024 / 2025 Payment Statements** – Issued over summer 2025 via a new approach to access information - an email embedded link to download data (data only available this way for 18 months)
- **2026 & 2027 Payments** – Subject to parliamentary process the maximum payment is £600 (2% of up to first £30,000 reference amount) and due to be paid from 1 August 2026 / 2027
- **2027** - Expected to be the last year for Delinked Payments



Farming Investment Fund – Large grants

- **RPA processing remaining submitted full applications for** - Calf Housing for Health and Welfare / Improving Farm Productivity
- **Full applications still being submitted by some for –**
 - **Slurry Infrastructure Grant** (individual deadlines set post design and location checks)
 - **Hen Housing for Health and Welfare** (deadline **28 April 2026** (was 30 January 2026))
- **New opportunities for small and large productivity grants** – Await outcome of Defra business planning with Ministers



Farming Equipment & Technology Fund

- If accepted an offer and still to claim....
- **Submit a single separate claim for each grant funding agreement** accepted (productivity, slurry, and animal health and welfare)
- **Deadline to claim is Midday 31 March 2026** - work back from this date with suppliers to comply with submission requirements etc.
- **Evidence needed with claim:**
 - suitable photos of items on farm (may need serial numbers / manuals)
 - supporting paperwork (ideally separate invoices / copies of business bank / B/S statements showing itemised transaction value)
 - need to demonstrate items purchased in full by the eligible claiming business using eligible funding methods



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Farming Equipment & Technology Fund

- **Guidance** - Double check T&Cs and item minimum specs
- **Sourcing issues or want to change your claim** - read guidance and then contact the RPA as soon as you can FETFClaims@rpa.gov.uk (rules of minimum grant / scoring still apply)
- **Change in Grant Payment Terms** - RPA now aim to pay within 60 working days of receiving it
- **Remember - Retention post grant payment** – 5-year rule in place – need to keep items in good usage order and retained by claiming business (this rule also applies to earlier rounds of FETF)



Business Related Support

- ***NEW* Farmer Collaboration Fund** – Government / Defra announce new fund with £30m available over 3 years to support:
 - *making it easier for farmers to share knowledge with each other and access to trusted advice to help make informed decisions for their businesses and land*
 - *both existing and new farmer groups and networks*
 - *activities such as farm visits, expert speaker talks, and stronger links with innovators and leaders at local and sector level*
 - *different approaches trialled in different areas, giving farmers greater flexibility to develop their own plans and focus on delivery rather than unnecessary bureaucracy*
 - *support practical, farmer-led approaches and help ensure advice is available where it can make the greatest difference*



Animal Health & Welfare Review Update

- **Paid Annual Vet Visit** - available across multiple eligible species and each distinct flock / herd within a business / have equal to or more than 51 pigs, 21 sheep or 11 cattle
- Farm visit by a vet / vet led team who over 2-3 hours discuss and agree achievable actions:
 - **Report / Summary** - Agree AH&W achievable actions for year ahead with written report with recommendations to follow (summary submitted)
 - **Diagnostic testing** - BVD in cattle / PRRS in pigs / sheep worming effectiveness
 - **Discussion Points / Data collection** - data to understand national herd/ flock health – anonymised and not used for future inspections
- **Endemics follow up** – provides further support and linked to same species
- **Timings** - Repeat Reviews must be more than 10 months apart / Endemics follow up takes place within 10 months of a Review (and a gap of 10 months between Endemic follow ups)



Animal Health & Welfare Review Update

- **Revised Payment Rates** – RPA has notified agreement holders **increased payment** rates for all visits carried out on or after 22 January 2026 with **service ending on 19 June 2027** and **all claims made by 19 September 2027**

Species	Animal health and welfare review funding		Endemic disease follow-up funding	
	Pre 22.1.26 Rates	22.1.26 Onwards Rates	Pre 22.1.26 Rates	22.1.26 Onwards Rates
Pigs	£557	£648	£923	£1,087
Sheep	£436	£574	£639	£658
Beef cattle	£522	£647	£837 for a follow-up with a persistently infected (PI) hunt or £215 for a follow up without a PI hunt	£954 for a follow-up with a persistently infected (PI) hunt or £258 for a follow up without a PI hunt
Dairy cattle	£372	£447	£1,714 for a follow-up with a persistently infected (PI) hunt or £215 for a follow up without a PI hunt	£1,844 for a follow-up with a persistently infected (PI) hunt or £258 for a follow up without a PI hunt



2025 Countryside Stewardship & HLS Claims

- **1 December onwards payments** – better performance than in 2024 for c31,000 CS claims and c5,400 HLS claims, if waiting respond to any RPA queries
- **HLS Option Rate Changes** – Impacts from 2025 on agreement payments, change depends on options within agreement - 157 options seen varying payment increases / 45 no payment increase, more details here:
<https://www.gov.uk/government/publications/increase-in-payment-rates-for-higher-level-stewardship-from-2025>
- **Keep on guard** – risk of fraudsters remains - <https://www.gov.uk/guidance/rpa-fraud-information>



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2025 CS Mid-Tier Extension reminders

- **If accepted the offer** – key to comply with schemes rules such as land control. Has formal confirmation of extension been received by **15 January**?
- **SSSI Land in extended agreement?** - Need to have contacted Natural England by **19 February** to seek consent for the extended agreement
- **One for the diary** – Remember need to submit an annual claim in the normal way, pop a reminder on your 2026 calendar for March
- **Arable options flexibility** – Remember some flexibility within rules for arable options which may allow them not to continue in 2026 (but affects agreement payment), details here: <https://www.gov.uk/guidance/countryside-stewardship-cs-mid-tier-extensions-for-2021-agreements>



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(CS) ELMs Capital Grants

- ***NEW* 2026 Higher Tier / Plans / Trees / Infrastructure - Woodland Tree Health Grants** (different to England Woodland Creation Offer) / **Capital Grant plans and management plans / Protection and Infrastructure Grants** and **Higher Tier Capital Grants** –available now, details here: <https://www.gov.uk/government/collections/capital-items-guidance-for-applicants-and-agreement-holders>
 - These plans often a pre-requisite to access other schemes such as CS Higher Tier
 - Read latest version of guidance as changes may have been made to detail
- **2026 Capital Grants** – Hoping for an offer from April 2026 onwards
 - await details and no guarantee it will be identical to the 2025 offer
 - Engaging with Catchment Sensitive Farming team now may assist any future grant opportunities where prior endorsement is required



Countryside Stewardship Higher Tier

- **Same name, but** - updated & new management actions / Rolling application window / monthly start dates / quarterly payments / online application process
- **Controlled rollout of pre application stage continues** – Since January 2025, 2,000+ invited to sign up, invites still going out until March, NE / FC involved in developing pre application plan
- **Contacted** - Priority groups (inc. CS HT / HLS ending in 2025) / plans in place
- **Application window / final Guidance** – opened 18 September to those completed the pre-application plan, then mapping needs to be correct before applying and consents etc in place / first agreements live 1 December 2025
- **Future** - Seeking clarity on future opportunities beyond March 2026



Sustainable Farming Incentive - current

- **Changes to SFI agreements** – Refer to specific agreement rules and what is possible to increase agreement coverage on farm via rotational action flexibility / remember cannot change non-rotational actions or add new SFI actions to agreement
- **Changes to Business Structure or Control** - Currently, SFI does not generally recognise or anticipate that significant business changes could happen during the three-year agreement period and does not allow the transfer of the agreement as a result
- **SFI 23 / 24 Payments** – c45,000 agreements and generally being delivered on time (now past SFI 23 herbal ley issues), but do check payments against agreement details
- **Payment holds** - Due to checks or end of year declarations not completed, namely in the last two months of agreement year the following....



Sustainable Farming Incentive - current

- **Annual Declaration (backwards looking)** - confirm delivered against agreement – impacts receiving the final agreement year's quarterly payment, detail: <https://www.gov.uk/guidance/sustainable-farming-incentive-sfi-completing-your-annual-declaration>
- **Rotational Action Declaration (forwards looking)** – if you have such actions then need to confirm to RPA for the next agreement year the following: 1) rotational action's location and 2) any change in the rotational action's area (subject to the rules in place – some agreements allow increase in area from Year 1 / allow lower area, as long as it's at least 50% of the action area for Year 1)
- These changes impact on the future total agreement value and quarterly payments, detail: <https://www.gov.uk/guidance/sustainable-farming-incentive-sfi-completing-your-rotational-actions-declaration>



SFI Reminders – ‘Change of Circumstances’

- **Default Position** - During an agreement period, a farmer cannot usually remove SFI actions or land from an agreement or end it early
- **Something happens for reasons within or outside your control - Explain to the RPA** – Put issues in writing to RPA as soon can and preferably within 8 weeks of situation arising. RPA will look at on a case-by-case basis
- **RPA Blog on remote sensing CS / SFI checks** – RPA have offered Year 1 checks and are doing both on desk, on farm and above farm checks:
<https://ruralpayments.blog.gov.uk/2025/11/28/how-rpa-uses-remote-monitoring-technology-to-monitor-environmental-land-management-agreements/> , so do confirm with compliance regularly and evidence requirements



Sustainable Farming Incentive - future

- ***NEW* SFI - Oxford Farming Conference & SFI 26** – Government focus to address 3 issues, which also help address the constrained budget available
- **Context for change** – SoS highlighted two SFI facts: 90% of spending currently goes on fewer than 40 of the 102 actions available; and 25% of spend goes to 4% of farms
- **1 make it simpler and more focused**
 - **reducing number of SFI actions but retain a broad offer** to suit different types of farms and still give choice, with greater emphasis on actions that support sustainable food production - considering value for money, uptake and distribution
 - **limiting how much land can be put into SFI actions** that take land out of production and exploring if more actions should be limited on top of current 10 where 25% area limit in place
 - **reviewing payment rates** for actions that take land out of production where uptake has been particularly high - could involve lowering payment rates.



Sustainable Farming Incentive - future

- **2 fairness and accessibility**

- **Increase number of farmers benefiting from SFI** to help achieve target of doubling the number of farms providing sufficient year-round resources for farm wildlife by December 2030, compared with 2025
- Defra considering ways to do this and publish details before new SFI offer launch

Additional points

- Defra also considering an **agreement value cap** to support distribution of funds and help share funding more fairly while delivering benefits for nature and climate
- **publish full scheme details before the first application window opens**, giving farmers time to understand the offer



Sustainable Farming Incentive - future

- **3 certainty and transparency**
 - Confirmation of **two SFI application windows this year** and targeted access:
 - **First window – June** - farmers with small farms and farmers without existing ELMs agreements
 - **Second window – September** - All farmers
 - Defra to publish **clear definitions** of two groups before first window opens.
 - Defra will **set clear budgets for each window** and publish before it opens
 - **Provide regular updates** to see when a window is close to being fully subscribed
 - Defra will **not close application windows without warning**
 - **After September window** - No information provided or how this will help or impact on those with SFI, CS and ES agreements ending in the next year



For more Information and support

- **Funding for farmers** - <https://www.gov.uk/guidance/funding-for-farmers>
- **Animal health and welfare visits** – <https://www.gov.uk/government/collections/funding-to-improve-animal-health-and-welfare-guidance-for-farmers-and-vets>
- **Rules for farmers and land managers** - <https://www.gov.uk/guidance/rules-for-farmers-and-land-managers>
- **RPA Video Resources** - Livestock checks/ SFI Visits / Hedgerows
<https://www.youtube.com/@ruralpaymentsagency>
- **Defra Blog** - <https://defrafarming.blog.gov.uk/>
- **NFU Member Support** – CallFirst: 0370 8458458
- **NFU Online** - www.NFUOnline.com / Quarterly scheme updates



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