



THE SUSTAINABLE FARMING INCENTIVE

OUR APPROACH

Introduction

The Sustainable Farming Incentive is the entry-level tier of the government's Environmental Land Management Scheme, introduced as Direct Payments are phased out.

Unlike the Basic Payment Scheme, SFI rewards farmers for undertaking more sustainable farming practices and can be implemented alone, or alongside, Countryside Stewardship*.

Although not intended as a replacement for BPS, most farmers are likely to take part in SFI and most should find the requirements of the scheme are not onerous – although the current farming system may need to adapt around some elements of SFI. In other cases, farmers may find they are able to receive payments for actions they have already adopted.

Choosing "Actions"

The SFI is made up of "Actions" – roughly equivalent to "Options" within Countryside Stewardship. They set out the actions required of farmers and the rates they will be paid, although SFI is generally less prescriptive than CSS.

Payments to farmers are made quarterly in arrears and entry into SFI can be at any time of year, once the scheme formally opens in Summer 2023

Reducing Risk

The SFI represents a new opportunity for farmers to reduce risk from volatile input and output prices – with traditional farm subsidies now largely removed - while being rewarded for environmental practices. Most of the "cross-compliance" rules from Direct Payments remain legal requirements, outside the SFI, and we refer to this now as the "Regulatory Baseline".

Our Knowledge

Bidwells has been deeply involved in the development of SFI with farms taking part in the national pilot scheme. This affords us excellent knowledge of the scheme and experience on how to implement it successfully, often alongside existing Countryside Stewardship Schemes. SFI and CSS are compatible with each other and SFI can often add value to "top-up" CSS, although care must be taken to avoid overlaps.

Management Payment

SFI is totally unlike Direct Payments in its structure and the way it operates. There is a greater level of complexity involved and no annual schedule of eligible land. However, there is an annual declaration and a record-keeping requirement. In recognition of this, DEFRA has announced an annual "management payment" to farmers, to account for the administrative cost of entering and participating in the scheme, of £20/ha on the first 50 hectares – or up to £1000 annually.

Bidwells will also provide a full suite of record keeping templates and documents to help manage your SFI agreement, with a quarterly check-in to ensure you're meeting the requirements of the scheme and that all records are up to date.

- Three-year agreements (no landlord's written permission required)
- Quarterly payments direct to bank account
- Annual upgrades to include more Standards and more land
- 23 individual "Actions" available
- Can enter SFI at any time of year
- Annual Declaration required



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OUR WORK FOR YOU	
Full design of scheme and advice on Actions and how to integrate them within your farming system. Develop scheme to maximise income	- As a standalone scheme
	- Alongside Countryside Stewardship or Environmental Stewardship (HLS)
Check and update RPA mapping and Rural Land Register status (essential and no longer routine as part of BPS)	
Prepare and submit online application	
Provide and manage suite of documents and templates	Record-keeping and evidence recording of Actions undertaken
Quarterly check-in with clients to include periodic farm visit	Ensure implementation and maintain evidence records, photographic records
Complete annual declaration	Deal with Agreement upgrades or alterations
Provide support at inspection (if required)	
Complete CSS annual revenue claim alongside SFI (if required)	

Contact



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