

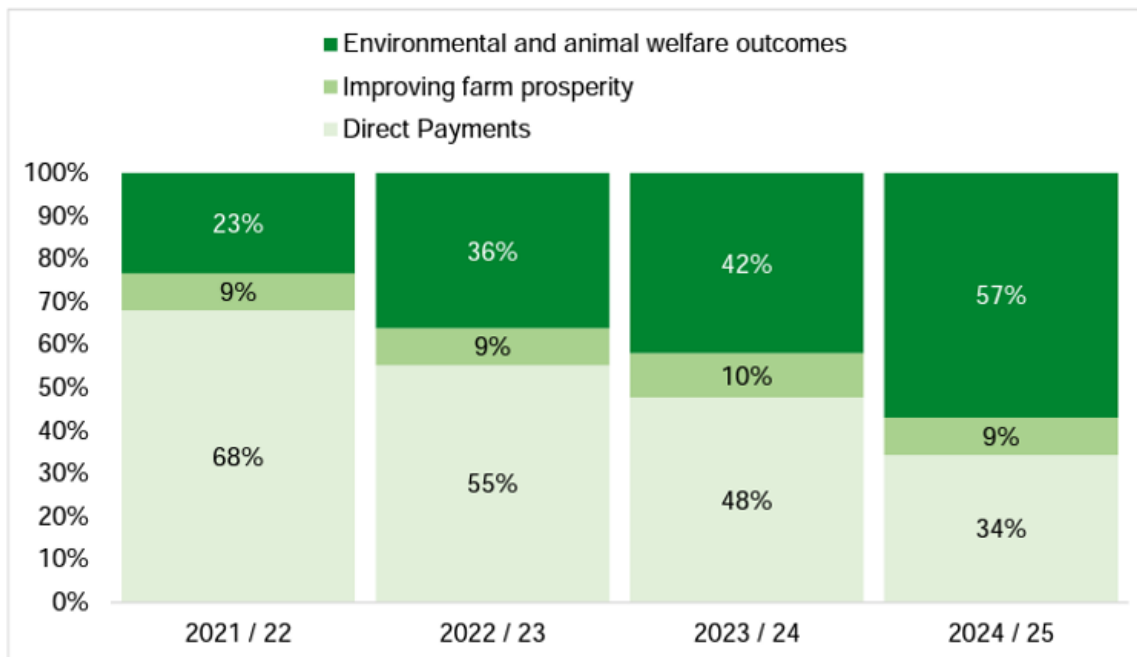
SFI & Future Agri-Environment Opportunities

November 2023

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Agricultural transition

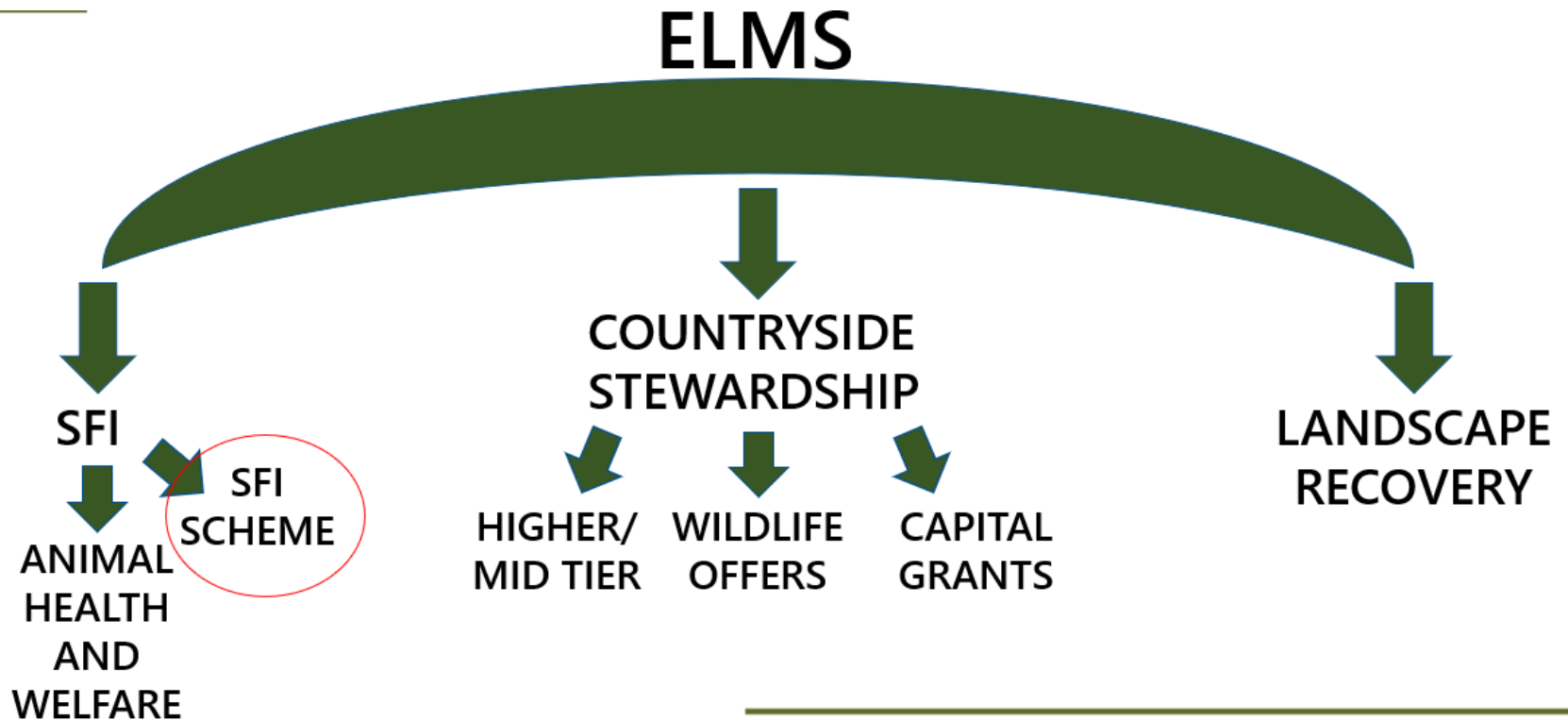
Figure 1: Funding plan for 2021/22, 2022/23, 2023/24 and 2024/25



2025-2027
Delinked Payments
<https://www.gov.uk/guidance/delinked-payments-replacing-the-basic-payment-scheme>

Source: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/954283/agricultural-transition-plan.pdf

ELMS Overview



SFI 23 A change of mindset

- Previous schemes very prescriptive
- SFI Offers more of a 'Can Do' & flexible approach
- Meet the aim of the standard using own experience of farms / soils

'It's up to you how you complete this action, as long as you do it in a way that can reasonably be expected to achieve this action's aim.'



SFI Principles

Simple – farmers themselves to apply-for and manage

many want assistance for reassurance – even under ‘simple’ SFI 2022
easy to apply; skill is knowing *what* to apply for

Flexible – choice in Standards, Options and which land to enter

can make things complicated – what do you go for?

Comprehensive – Standards to cover a huge range of topics

could become an ‘everything’ scheme

Value for Money – principle of ‘public money for public goods’

– you have to do something for the payment, but you may already be doing it !

Dynamic – changes made quickly if a better way is found

rules can change – e.g. 2022 Soil Standards

Non-prescriptive – some choice on how to comply with rules

‘am I doing this right?’

SFI Principles

3 Year Scheme – more flexibility than with previous stewardship schemes

Can upgrade annually adding land and options, but can't easily downgrade

Flexibility of delivery, + or - 50% of some options in years 2 and 3

Option Aims – often your choice how you meet the aims of an option

What to do and When to do it may be specified but up to each farmer How to do it

Evidence – each option requires evidence to be provided of delivery

Make sure you know what is required and remember to take and keep photographs etc.

Parcel based application – need to plan what Options will go in each field

– rules on which options can co exist (stack) in the same field and if a whole field or a part field Option

– some of the Options are whole farm only

SFI 23; where are we now?

- **Planned “Soft Launch”** – farmers registered interest and invited to apply
 - RPA wanted to test the on-line application system before a widespread launch.
- **Evidence of Early Issues** – mainly related to Options not being available in specific fields due to ineligible features or other stewardship options in the field
- **Check Mapping** – worth making sure the RPA mapping is correct
 - Check land covers are correct – permanent grass, arable, permanent crops
 - Any ineligible features to update or remove ?
 - No need to correct or update hedge data
- **Apply for SFI HEFER**– find out where historic features are that could limit some options on some fields
- **Widespread Launch expected** – plan what you will apply for ready for being able to apply

SFI 23 Options

SFI 2023 Standard	Action	New action / variation of CS option	SFI Payment Rate
Soil	SAM1: Assess soil, produce a soil management plan and test soil organic matter	New	£5.80/ha & £95/yr
	SAM2: Multi-species winter cover	SW6 variation	£129/ha
	SAM3: Herbal leys	GS4 variation	£382/ha
Hedgerows	HRW1: Assess & record hedgerow condition	New	£3/100m (one side)
	HRW2: Manage hedgerows so there's a range of different heights & widths	BE3 variation	£10/100m (one side)
	HRW3: Maintain existing hedgerow trees, or establish new ones, so there's average of at least 1 hedgerow tree/ 100m	New	£10/100m (both sides)
Integrated pest management (IPM)	IPM1: Assess integrated pest management (IPM) and produce a plan	New	£989/yr
	IPM2: Flower-rich grass margins, blocks, or in-field strips	AB8 variation	£673/ha
	IPM3: Companion crop on arable and horticultural land	New	£55/ha
	IPM4: No use of insecticide on arable crops and permanent crops	New	£45/ha
Nutrient management	NUM1: Assess nutrient management and produce a review report	New	£589/yr
	NUM2: Legumes on improved grassland (Temporary / permanent grassland)	GS4 variation	£102/ha
	NUM3: Establish and maintain legume fallow (arable)	AB15 variation	£593/ha

SFI 23 Options cont..

Arable and horticultural land	AHL1: Establish and maintain blocks or strips of pollen and nectar flower mix	AB1 variation	£614/ha
	AHL2: Establish and maintain blocks or strips of winter bird food	AB9 variation	£732/ha
	AHL3: Establish and maintain grassy field corners or blocks	New	£590/ha
	AHL4: Establish and maintain a 4-12m buffer strip on arable/ horticultural land	SW1 variation	£451/ha
Improved grassland	IGL1: Take grassland field corners and blocks out of management	GS1 variation	£333/ha
	IGL2: Winter bird food on improved grassland	GS3 variation	£474/ha
	IGL3: Establish and maintain a 4-12m buffer strip on grassland	SW2 variation	£235/ha
Low input grassland	LIG1: Manage grassland with very low nutrient inputs (outside SDAs)	GS2 variation	£151/ha
	LIG2: Manage grassland with very low nutrient inputs (SDAs)	GS2 variation	£151/ha

SFI 2023 – Soils; key points

- SAM1 Complete a Soil Management Plan including assessing soil and testing soil organic matter £95 base payment + £5.80 / Ha
- No pro forma for SMP but should cover soil types and structure assessments as a minimum
- Soil o.m. tests for each field < 5 years old
- Typical cost of soil o.m. sample £20 / field



Soils	Steep slopes > 7°	Moderate Slopes 3° - 7°	Gentle Slopes 2° - 3°	Level Ground < 2°
Sandy & light silty soils	Very high	High	Moderate	Lower
Medium & calcareous soils	High	Moderate	Lower	Lower
Heavy Soils	Lower	Lower	Lower	Lower

SFI 2023 – Soils; key points

- **SAM2** Establish and maintain multi-species winter cover crops - **£129 per Ha**
- No requirement for 'green cover' as per SFI 22 Standard; cover crops are a bespoke payment for a bespoke area
- Minimum 2 species
- Keep over winter months; Dec / Jan / Feb
- Can destroy 6 weeks before drilling following spring crop



SFI 2023 – Soils; key points

- **SAM3** Establish and maintain herbal leys £382 / Ha
- Available on arable & improved permanent grassland. Not suitable for old pasture (EIA Screening potentially required).
- Can't site on SSSI or historic features
- Mixture of grasses, legumes and herbs
- Variety of establishment techniques.



SFI 2023 – Arable options; key points

AHL3 Establish & Maintain grassy field corners or blocks

£590 per Ha

- Establish by drilling or allow the areas to naturally regenerate.
- Regularly cut during 1st 12 months
- After establishment, no cutting except localised topping of weeds
- No maximum plot size



SFI 2023 – IPM Key points

IPM3 Establish a companion crop £55 per Ha

You can establish the companion crop by:

- trap cropping – sowing a trap crop to attract crop pests away from the main arable or horticultural crop
- inter-cropping – sowing the companion crop with the main arable or horticultural crop
- under-sowing – sowing a companion crop to form a living mulch beneath the arable or horticultural crop

- AHDB trial information on osr companion cropping.



SFI 2023 – IPM Key points

IPM4 No use of insecticide £45 per Ha

- You must not apply any plant protection products, including seed dressings, containing insecticide on land entered into this action. For the purposes of this action, insecticide includes nematicides and acaricides
- Herbicide & fungicide use not affected
- Whole parcel only
- Can overlay many CS options but not HLS
- Subject to '50% rule' for rotational options.



SFI 2023 – IPM Key points

NUM3 Establish and maintain legume fallow - £593 per Ha

- To establish the legume fallow, you must sow a seed mix containing at least 6 flowering species including legumes
- The seed mix can also include non-legume flower species and / or grasses, such as cocksfoot or timothy, which can help to control blackgrass
- 1, 2 or 3 year options available, depending on timing of agreement start date and rotation requirements



1 year legume fallow economics

Crop	Spring Beans	Winter OSR	1 Year Legume Fallow
Yield t/ha	5.0	3.5	N/A
Price £/tonne	225	400	N/A
Output £/ha	1125	1400	593
Seed £/ha	190	80	72
Fertiliser £/ha	100	360	0
Plant Protection £/ha	110	130	0
Variable Costs £/ha	400	570	72
Gross Margin £/ha	725	830	521
Operation Costs £/ha	300	370	100
Nett Margin £/ha	425	460	421

1 year legume fallow economics

Crop	Spring Beans	Winter OSR	1 Year Legume Fallow
Yield t/ha	4.5	3.0	N/A
Price £/tonne	225	400	N/A
Output £/ha	1012	1200	593
Seed £/ha	190	80	72
Fertiliser £/ha	100	360	0
Plant Protection £/ha	110	130	0
Variable Costs £/ha	400	570	72
Gross Margin £/ha	612	630	521
Operation Costs £/ha	300	370	100
Nett Margin £/ha	312	260	421

Stacking of SFI options

- Many SFI options have been designed to be compatible – i.e. you can site them on the same land
- For example, on a field containing spring barley you could have;
 - SAM1 – soil plan, plus
 - IPM1 – IPM plan, plus
 - IPM4 – no insecticides, plus
 - SAM2 – multi species cover crop, plus
 - NUM1 – nutrient management plan, plus
 - AHL3 – grassy field corners, plus
 - AHL4 – buffer strip, plus
 - HRW1 – hedge management, around the field boundaries
- Fairly obvious / logical where SFI options *can't* be stacked -
 1. where you have to grow something specific – e.g. couldn't have SAM2 (winter cover crops) on the same land as AHL2 (winter bird food)
 2. where the land type is wrong – arable options on grassland, or anything on moorland

What could an SFI scheme look like?

- Arable farm: 500 Ha total

SFI					
Standard	Option Code	Payment Rate £/(Ha/Unit)	Area Ha	Total £	Notes
Soil Assessment	SAM 1	95		95	£95 standard payment
Soil Tests and Management Plan	SAM 1	5.8	500	2,900	All fields
Multi Species Winter Cover Crop	SAM 2	129	75	9,675	Ahead of spring crops
Record Hedge Condition	HRW 1	£3/100m/1 side		600	Worked off 10,000m
Manage Hedge	HRW 2	£10/100m/1side		2,000	as above
Hedgerow Trees	HRW 3	£10/100m/2 sides		1,000	
IPM Plan	IPM 1	989		989	
Flower rich margins & blocks	IPM 2	673	3	2,019	In arable fields
No use of insecticide	IPM 4	45	375	16,875	On 75% of arable area
NM Plan	NUM 1	589		589	
Legume Fallow	NUM 3	593	20	11,860	Instead of some Spring Beans
Grassy field corners	AHL 3	590	3	1,770	In arable fields
Buffer strip on arable land	AHL 4	451	3	1,353	Already in place
Management payment				1000	£20/ha up to 50ha
Total=				52,725	Per year for three years

SFI Application process

- **SFI only currently open to those who have made a BPS claim**
 - will eventually open up to all land managers
- **Get maps correct with RPA – boundaries and land covers**
- **Tenants do not need Landlords permission (only Tenants can apply)**
 - although would be sensible and polite to let Landlords know!
 - rolling annual FBT now evidence of management control
- **May need to apply for Historic Environment Farm Environment Record (HEFER) if land has archaeological or historic features**
- **Agreements start on the first day of the month**
 - agreements can be added-to on the anniversary
 - cannot generally remove land from an agreement within 3-yr term
- **Annual declaration required (plus evidence if requested)**
 - not yet clear what form this takes – no BPS claims from now on

CSS Capital Tiers

- **Three year grant** for capital works in four areas: **boundaries, trees and orchards; water quality / air quality and natural flood management** to deliver specific environmental benefits
- There is no limit on either the amount of any application or the amount you can apply for in each of the 4 groups

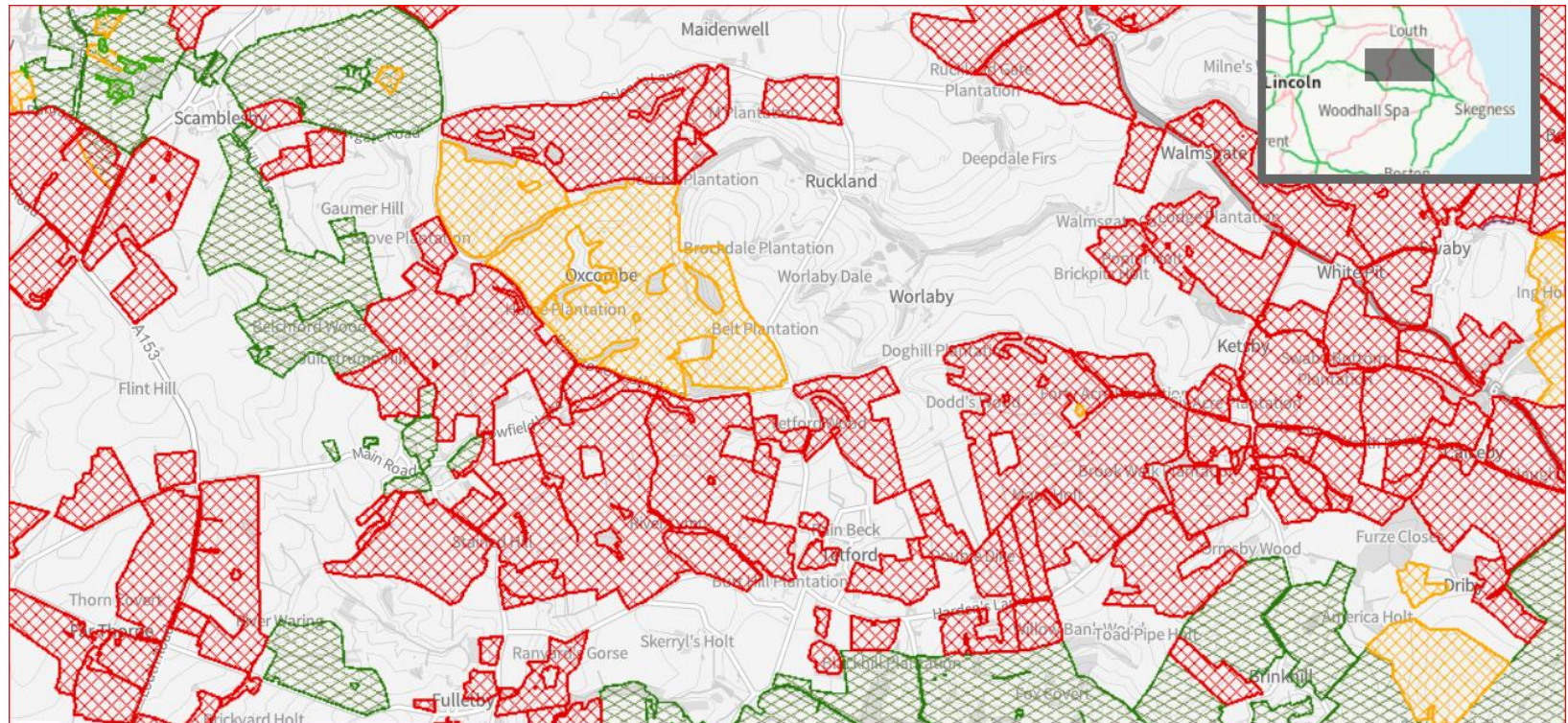


Countryside Stewardship & transition in 2024

- CS to be upgraded (CS plus / CS Evolution?) & available in 2024.
- New options available but still subject to ministerial sign off
- Highly likely that, if transitioning; new CSS agreement (or combination of CSS / SFI?) must offer equivalent or greater environmental benefits than your current HLS / CSS agreement
- Funding gaps potential for some agreements; monthly start dates going forward?



Bluestone Heath Rd FIPL Group



Any questions?

