



GREEN FUTURES 2023

ELMS 2023

Tuesday 31 January 2023



AGENDA

Jonathan Baker, Deputy Director, Programme Policy, Engagement and Strategy at Defra – ELMs and SFI

Simon Fisher, NFU East Midlands Environment Adviser – Sustainable Farming Incentive Application Process

Jonathan Baker- Deputy Director, Programme Policy, Engagement and Strategy at Defra – Countryside Stewardship

Susan Twining, CLA Chief Land Use Policy Adviser- Opportunities for Environmental Markets





Department
for Environment
Food & Rural Affairs

Agricultural Transition: Farming reforms in England

January 2023



Forestry Commission
England



Environment
Agency

Farming reforms in England

We are:

- investing in farms to support food production and the environment
- introducing new grants and ongoing payments
- changing how we work with farmers

Supporting food production while enhancing nature

Our reforms have 3 goals:

- Maintain food production
- To create productive, resilient farms
- Enhance the environment, climate and animal health and welfare



Environmental outcomes

Uptake x ambition + join-up = outcomes:

- up to 60% of England agricultural soil under sustainable management by 2030
- support to significantly reduce agricultural emissions
- treble woodland creation in England
- restoration of habitat
- reduction of pollutants that enter watercourses
- restoration of rivers and lakes



Ongoing payments in 2023

Later in 2023 you will be able to apply for:

- 6 additional actions through the Sustainable Farming Incentive
- the next round of Countryside Stewardship Higher-Tier which will open in February, with Mid-Tier following in March.
- funding for large-scale land use projects through Landscape Recovery round two
- animal health and welfare pilot for 'payment by results'
- annual funded vet visit to support animal welfare

One-off payments (grants) in 2023

You can currently apply for:

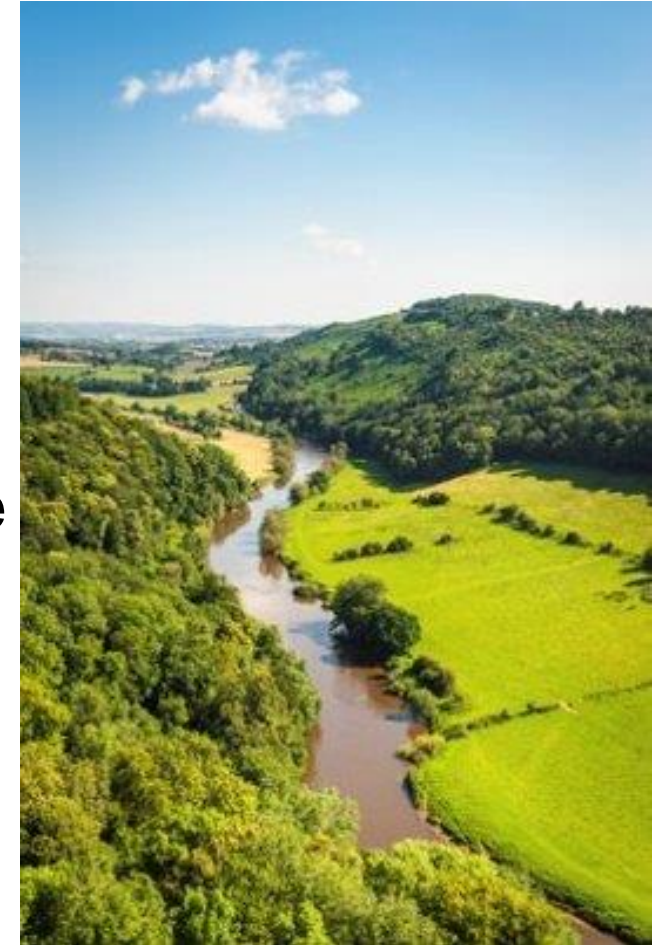
- environmental improvements through **Countryside Stewardship**, and **Farming in Protected Landscapes**
- **Slurry infrastructure** (applications close 31 January)
- **Tree Health Pilot** scheme



One-off payments (grants) in 2023

Later in 2023 you will be able to apply for:

- more rounds of the **Farming Investment Fund**:
 - round two of the **Farming Equipment and Technology Fund**
 - capital grants to improve animal health and welfare
- more innovation, research and development grants through the **Farming Innovation Fund**
- **England's Rural Prosperity Fund**, to support diversification



Don't forget

Don't forget that:

- you can be in more than one of the environmental land management schemes – our schemes are designed to be stacked together
- private finance will also be available - you can stack private and public finances



Free business advice to help you decide

Our Future Farming Resilience Fund offers:

- Free Business advice on which of our reforms is right for you and your business from independent providers
- Advice available from now until March 2025



SFI22 is now open for applications

SFI22:

- Refined based on our learnings so far
- is rolled out in a controlled way
- is more flexible with no deadline
- agreements will last for 3 years
- every 12 months from your start date, you can:
 - add more standards
 - add more land
 - increase levels within standards



SFI eligibility

- you'll be eligible for SFI if you're a farmer who's eligible for the Basic Payment Scheme
- you can apply to enter land into SFI if it's in England, and eligible for the standard you select
- you'll need to have management control of the land for the 3-year SFI agreement



SFI 22 standards

Arable and horticultural soils standard

- introductory - £22 per ha
- intermediate - £40 per ha

Improved grassland soils standard

- introductory - £28 per ha
- intermediate - £58 per ha

Moorland standard

- introductory only - £10.30 per ha plus extra £265 per agreement

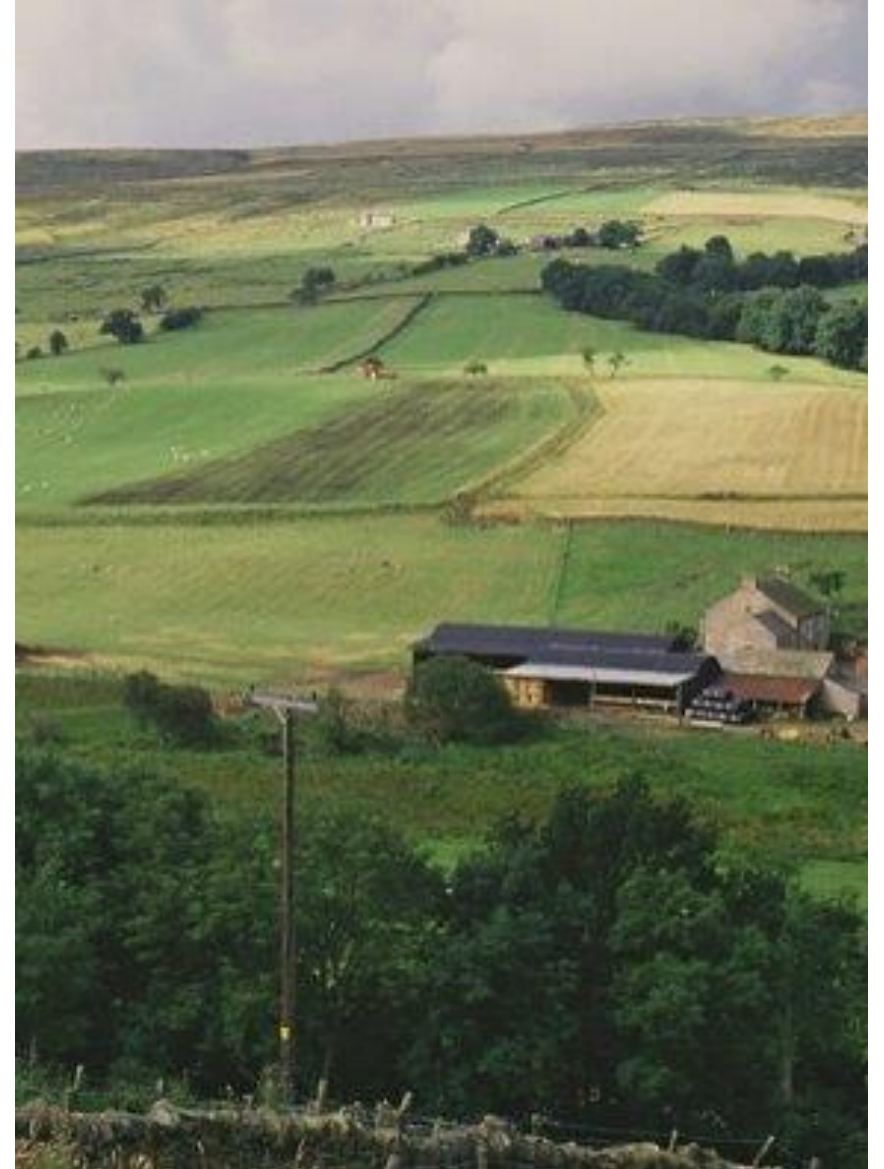
SFI Management Payment



SFI standards in 2023

Six new standards, 19 actions:

- hedgerow management
- integrated pest management
- nutrient management
- arable and horticultural land
- improved grassland
- low input grassland



Sustainable Farming Incentive Application Process

Simon Fisher

Applying for SFI

- Rolling window
- Via RPA's Rural Payments online service – all managed online
- Preparation is key!
- Guidance - scheme rules include “how to apply” Gov.UK
- Include 2023 standards and new Management Payment
- Check eligibility
- Check land details - land linked to SBI and land cover.
- Common land/Shared grazing – apply separately
- Relationships with other schemes
- Annual declaration
- Annual amendments

SFI & Rural Payments online service

Log In & Verification > Your Business > **Business Overview** > SFI
> SFI Standards > SFI Applications and agreements > **Apply for SFI** Button = To start your application

[← Back to your businesses](#)

Business overview

Robert Maccurrach

Manage different areas of your business here.

Contents

- [Give people permission to act for this business](#)
- [Business summary](#)
- [Land](#)
- [Commons](#)
- [Sustainable Farming Incentive](#)
- [Basic Payment Scheme](#)
- [Countryside Stewardship](#)

Sustainable Farming Incentive

Apply for SFI

Application incomplete
You have completed 1 of 4 sections

- 1. Your land**
[Check and confirm your land details](#) **COMPLETED**
- 2. Select your standards**
[Select your standards](#) **IN PROGRESS**
- 3. Choose the level of actions you agree to do**
Choose which actions to do **CANNOT START YET**
- 4. Review and submit your application**
Check your answers **CANNOT START YET**

Step 1: Your land

Your land details

When you apply for SFI, you can only select land parcels that:

- are linked to your SBI
- have an eligible land cover for the standard you select

Land summary

The land summary below shows:

- the total number of land parcels currently linked to your Single Business Identifier (SBI)
- the total area of each land cover currently registered for those land parcels

58.8 hectares across 21 parcels.

26.83 hectares of arable land across 7 parcels

31.47 hectares of permanent grassland across 14 parcels

Check your land details before you apply

Before you apply for SFI, use the [Land Viewer](#) to check the land parcels you'll be selecting are linked to your SBI and have correctly registered:

- land covers
- permanent boundaries

Are your land details up to date?

- Yes, my land details are correct
- No, I need to update my land details

Will you have management control of the land in your SFI application?

Critical question as must have control for 3 year duration of the agreement

Step 2: Select your standards

- What standards you want to apply for
- All the 2022 std's: Arable/Hort soils; Improved grassland/ Moorland & rough grazing
- Plus new 2023 Std's: Nutrient management/ hedgerows/ IPM arable/ low input grassland/ Improved grassland/ arable and hort land
- Tick box to select the standards you want to apply for

Step 2: Select your standards

- Smart IT – Puts your land SFI rules together to show if available.
- Smart IT also asks you to confirm the actions with each standard
- Up front validation of data to tell farmer if eligible
- Confirms eligibility for introductory level

Step 3 – Choose level of actions

- Step three asks you to select the land and the levels of ambition you want to do for each standard
- Introductory, Intermediate and Advanced
- Select fields and levels of ambition within each
- You do this for each standard you are applying for
- Once confirmed IT will replay SFI agreement value

Step 3 – Choose level of actions

Introductory	Intermediate	
<input type="checkbox"/>	<input type="checkbox"/>	Select all
		ST2021 5099 0.54 ha total size, 0.00 ha of SFI available area
<input type="checkbox"/>	<input type="checkbox"/>	ST2022 3425 Arable land - pond, 3.22 ha total size, 3.14 ha of SFI available area
		ST2022 4233 1.54 ha total size, 0.00 ha of SFI available area
<input type="checkbox"/>	<input type="checkbox"/>	ST2022 4912 Arable land, 2.53 ha total size, 2.53 ha of SFI available area

[Update application](#)



Key:

- Selected for Introductory
- Selected for Intermediate
- Available for standard
- Available but in another standard
- Unavailable for standard

Step 4: Review and submit your application

Always check your answers before submitting your application

Introductory Level		
Action 1: Will you complete a soil assessment and produce a written soil management plan covering the land entered into this standard in the first year of your SFI standards agreement?	YES	change
Action 2: Will you make sure all the land parcels entered into this standard have been tested for soil organic matter (SOM) within the last 5 years?	YES I	change
Action 3: Will you add organic matter to the soil for all the land parcels entered into this standard at least once during your 3-year SFI standards agreement?	YES	change
Action 4: Will you make sure that at least 70% of total area of land entered into this level of the standard has well-established green cover over the winter months (December until end of February)?	YES	change

Submit your SFI application

By selecting 'I agree - submit my application' you confirm that:

- the information you've given in your SFI application is correct
- you will complete the actions for the level chosen in the standards selected
- you will have management control of the land parcels you have selected in your SFI standards application for the 3-year duration of your SFI standards agreement

You will be able to upgrade your SFI standards agreement annually. This will allow you to:

- add more standards as they become available
- add more land
- increase levels within standards

[I agree - submit my application](#) [Withdraw my application](#)

Application submitted

Your reference number
1262702

What happens next

Thank you for submitting your SFI application. We will notify you when your SFI standards agreement offer is available in the Rural Payments service to check.

Final points

- This is a high level overview
- Relatively straightforward – Smart IT helps
- Enable farmers to apply for SFI on their own
- SFI portfolio now has nine standards
- 2023 application/paperwork – Summer 2023

Countryside Stewardship



Countryside Stewardship (CS)

We are:

- evolving Countryside Stewardship to deliver Local Nature Recovery intent
- expanding and refining actions / options
- improving the service
- doing more spatial targeting
- exploring payment by results
- incentivising local join-up through CS+



Evolving CS in 2024

- Expanded capital offer
- Expanded Catchment Sensitive Farming (CSF) offer
- HLS/CS agreement holders can take on an additional CS agreement
- Some CS HT options available in MT
- 3 years to complete capital works
- Targeted communications to promote these changes



- Annual declaration
- **Application window will open February (HT) and March (MT)**

Landscape Recovery

- radical, large scale and long term
- focused on biodiversity, water quality and net zero
- first round:
 - 22 projects delivering environmental benefits alongside food production
 - recovering & restoring threatened native species
 - restoring England's streams and rivers



Landscape Recovery

Round 2:

- opening in Spring 2023
- focus on:
 - net zero
 - protected sites
 - habitat creation
- we expect up to 25 projects will be awarded funding



Slurry Infrastructure grant

- helps farmers invest in future-proof slurry infrastructure
- round 1: grants to replace, build new or expand existing slurry stores to provide 6 months' storage
- must fit any stores with an impermeable cover (unless installing a slurry bag or using acidification treatment)
- deadline for applications: 31 January 2023



Arable

Sustainable Farming Incentive:

- arable and horticultural soils
- improved grassland soils
- 6 new standards this summer
- SFI Management Payment

Payment for actions on arable land through
Countryside Stewardship

Grant for adding value after harvest:

- £25,000 to £300,000



Tenants

You are:

- eligible for the Sustainable Farming Incentive, even with a one-year rolling tenancy
- eligible for enhanced Countryside Stewardship and Landscape Recovery

We are:

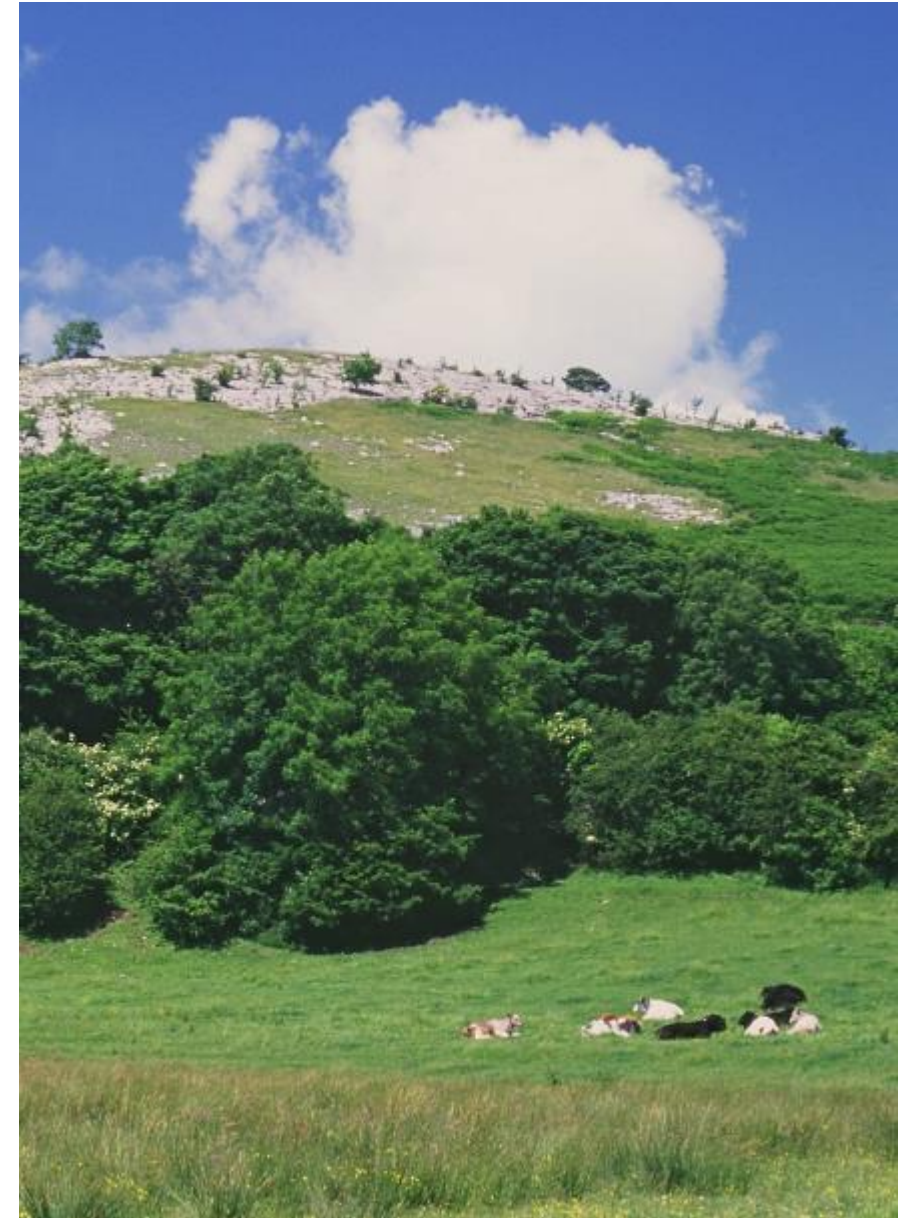
- learning from Tenant Farmers Working Group
- Rock Review: Baroness Rock set out the Working Group's vision and recommendations



Uplands

Well placed to benefit from environmental land management schemes:

- Greater flexibility between HLS and CS agreements
- 130 actions in latest update applicable to uplands (>60% of total actions)
- SFI Management Payment
- increased CS revenue and capital rates
- Landscape Recovery Round 2
- Nature for Climate Peatland Grant Scheme until 2025



Livestock

Animal Health and Welfare Pathway offers funding for:

- annual health and welfare review
- capital grant investments in health and welfare
- disease eradication and control programmes
- payment by results
- vet visits through SFI

Also:

- stimulating market demand
- strengthening regulatory baseline

Payments for grassland species through CS

Access funding through SFI improved grassland soils



Dairy

Animal Health and Welfare Pathway offers funding for:

- annual health and welfare review
- capital grant investments in health and welfare
- disease eradication and control programmes
- payment by results
- vet visits through SFI

Also:

- stimulating market demand
- strengthening regulatory baseline

Payments for grassland species through CS

Access funding through SFI improved grassland soils



Small farms

All schemes are designed for all farm sizes

We have introduced:

- no minimum amount of land for the Sustainable Farming Incentive
- new Sustainable Farming Incentive Management Payment.



Commons

Eligible for the Sustainable Farming Incentive if a commoner has claimed BPS in the last 2 years

Sustainable Farming Incentive offers a common land annual additional payment of £6.15 per hectare to help with the costs of administering SFI common land agreements involving groups of commoners.



Slurry eligibility

LAST CHANCE

- all pig, dairy and beef farmers can apply, as long as they:
 - do not already have 6 months' serviceable storage
 - are already producing slurry
 - plan to use the store to contain slurry

You can apply if you don't have enough storage today to comply with SSAFO or NVZ regulations.

The Farming Investment Fund in 2023

The Farming Equipment and Technology Fund – Round 2:

- applications live in early 2023
- support the purchase of specific equipment & technology
- grant is a proportion of the total cost of the investment up to £25,000.

Animal Health and Welfare grants:

- from early 2023
 - apply for animal health and welfare equipment and technology grants of between £1000 and £25,000
-

Find out more on GOV.UK

The screenshot shows the GOV.UK website interface. At the top left is the GOV.UK logo with a crown icon. At the top right is a 'Topics' dropdown menu. Below the header is a breadcrumb trail: 'Home > Land management'. The main content area features the word 'Guidance' in a smaller font, followed by the main title 'Funding for farmers and land managers' in a large, bold font. Below the title is a paragraph of text: 'You can apply for money to improve the environment and your farm's productivity if you're a farmer, land manager or forester.' Further down, there is a section for 'From: Department for Environment, Food & Rural Affairs and Rural Payments Agency', 'Published 9 March 2022', and 'Last updated 7 June 2022 — See all updates'. At the bottom of the page, a button with a bell icon and the text 'Get emails about this page' is circled in orange.

GOV.UK Topics

[Home](#) > [Land management](#)

Guidance


Funding for farmers and land managers

You can apply for money to improve the environment and your farm's productivity if you're a farmer, land manager or forester.

From: [Department for Environment, Food & Rural Affairs](#) and [Rural Payments Agency](#)

Published 9 March 2022

Last updated 7 June 2022 — [See all updates](#)

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OPPORTUNITIES FOR ENVIRONMENTAL MARKETS

JANUARY 2023

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CLA

OVERVIEW

- What do we mean by environmental markets?
- What are the opportunities and risks?
- How to access the markets?
- What you can do now?



WHAT ARE WE TALKING ABOUT?

NATURAL CAPITAL ASSET	SERVICES PROVIDED
Soil	<ul style="list-style-type: none">• Medium for growing crops• Carbon storage• Water regulation
Woodland	<ul style="list-style-type: none">• Timber• Recreation• Wildlife habitat• Carbon storage
Water	<ul style="list-style-type: none">• Crop irrigation• Wildlife habitat• Drinking water

GOVERNMENT AND BUSINESS DRIVERS

Legislation

- Climate Change Act (2008) – Net Zero
- Agriculture Act (2020) – Payment for public goods
- Environment Act (2021) – Environmental Targets

Regulation

- Biodiversity Net Gain
- Nutrient neutrality
- Climate/nature related financial disclosures

Business responsibility

- Reputational – Environment, Social and Governance (ESG)
- Marketing benefits
- Business resilience

TYPES OF ENVIRONMENTAL MARKET

ENVIRONMENTAL FUNDING

Government schemes

- Environmental Land Management schemes
- England Woodland Creation Offer
- Natural Environment Investment Readiness Fund

Offset markets

- Carbon
- Biodiversity Net Gain
- Nutrient Neutrality

Corporate funding

- Retailers and brands
- Water companies
- Other national and local businesses

Charities

- Woodland Trust
- National Lottery Heritage Fund

WHAT ARE THE
OPPORTUNITIES?

ENVIRONMENTAL FUNDING

- Government funding for ELM £2 billion per annum England
- Biodiversity net gain offsetting 5-6,000 ha pa
- Nutrient neutrality offsetting £Not known
- Carbon sequestration/avoidance £Not known
- Funding gap means private sector funding is key
- Government target of £1bn private sector funding by 2030

Farming net
GVA UK
£10bn pa

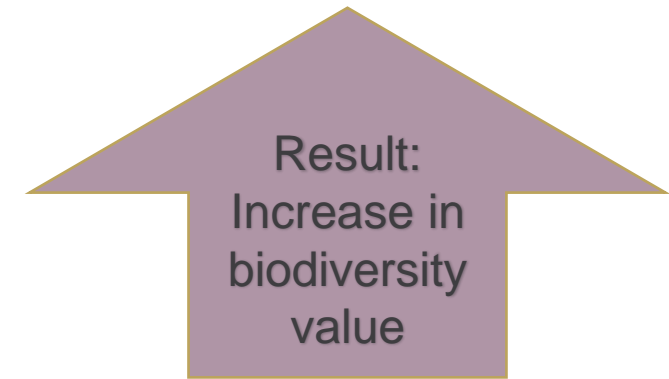
Current BPS
England
£1.8 bn pa

VOLUNTARY CARBON MARKETS

- Creation and sale of carbon credits
- Payment for changes in land use that will result in permanent and additional carbon sequestration or emission avoidance
- Need to consider land valuations, tenancy terms, tax and liabilities
- Need to consider own net zero requirements
- Soil carbon
 - Supply chain funding as insets with shorter contracts

BIODIVERSITY NET GAIN

- Mandatory from November 2023
- Applies to all housing and infrastructure developments
 - Measure biodiversity value before development
 - Provide compensatory habitat if needed plus 10%
- Opportunity for land managers to provide offset habitat
 - Only available near development sites, poorest land has biggest potential
 - Long term agreements of 30 years
 - Some low input farming may be possible
- Need to consider land valuations, tenancy terms, tax and liabilities and what happens at the end?



WORKING WITH WATER COMPANIES

- Severn Trent Environmental Protection Scheme includes a catchment management programme
- Anglian Water have a Farming Innovation Grant
- Application details are found on company websites



anglianwater



HOW TO ACCESS THE
MARKETS?

PREPARATION

- Identify your natural capital assets
 - Range of tools and services available
 - Use local experts or volunteers e.g. wildlife groups, BNG will need an ecologist
 - Identify local priorities – Local Nature Recovery Strategies



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ACCESSING THE MARKET - OPTIONS

Buyers

- Developers
- Local businesses

Brokers and advisers

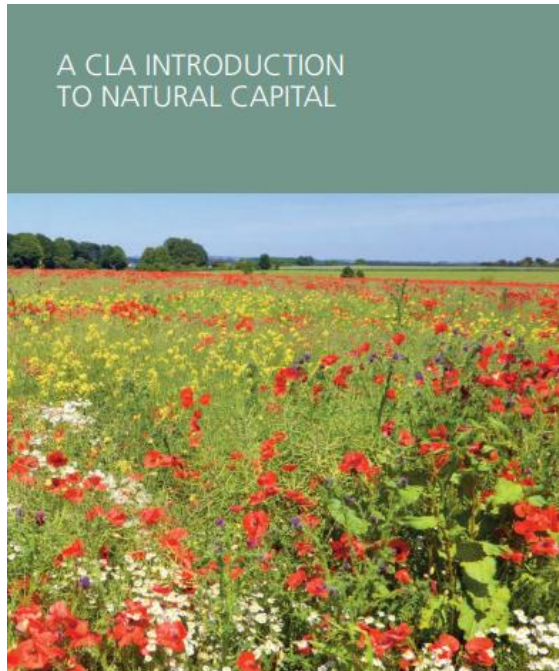
- Land agents
- Habitat banks
- Specialist brokers

CLA Natural Capital Directory

Landowners and specialists

- Collaboration
- Farmer clusters
- Environmental specialists e.g. Wildlife Trusts

CLA RESOURCES



WWW.CLA.ORG.UK



CLA Natural Capital
Directory

Relevant CLA Guidance Notes – available for free members

- **GN30-22 – Land manager collaboration for environmental delivery**
- **GN29-22 – Biodiversity Net Gain Overview**
- **GN04-20 – Natural Capital, public goods and environmental markets**
- **GN15-22 – Nutrient Neutrality – Impact on Development**
- **GN20-22 – Carbon Markets for Landowners**



THANK YOU

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The logo for CLA, featuring the letters 'CLA' in a bold, white, sans-serif font. A yellow swoosh underline is positioned beneath the 'A'. The logo is set against a dark teal rectangular background.