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SFI26 – Q&A

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Useful links

All of the SFI26 scheme information is on the SFI26 GOV.UK landing page. This includes final versions (published on 17 June 2026) of:

- the SFI26 agreement terms and conditions (SFI26 T&Cs)
- the scheme rules, which explain the mandatory requirements set out in the SFI26 T&Cs, and guidance on how to apply for and manage an SFI26 agreement
- the requirements for each SFI26 action – each individual action is available on the 'Find funding for land or farms' tool, or you can view all 71 actions in a single document in the HTML print version

The SFI26 scheme information also includes:

- a 'get ready to apply for Window 1' guide
- an updated version of the SFI26 limited area actions calculator
- guidance on how to fix common problems when applying for SFI26

We've also published a 'how to apply for SFI26' video on YouTube.

Key Messages

- Before you start an SFI26 application, check your digital maps in the Rural Payments service show the correct land details for the land parcels you want to include in your application.
- Read the SFI26 actions on GOV.UK and decide which actions to apply for – check your land is eligible for each action
- Read the SFI26 T&Cs and scheme rules to make sure you understand the rules you must follow when you enter an SFI26 agreement

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Q&A

SFI26 overview

Is the SFI26 offer a new scheme?

- The SFI26 offer is an iterated version of SFI24. For continuity, the large majority of SFI24 features will remain as they were
- However, we will be making a range of improvements to SFI26 to produce a simpler and more streamlined offer

Will you make any changes to SFI in the future?

- As far as possible, we want to minimise changes to SFI from now onwards – to provide stability for farmers and help them plan for the future. However:
    - We expect we may need to make minor adjustments to aspects of the scheme in future e.g. we might need to update future payment rates.
    - We are exploring whether we can make actions more targeted on environmental benefits, and easier for farmers to access

How can you therefore claim that you will stabilise the offer?

- We're stabilising the SFI offer to provide certainty for farmers, so they can plan their businesses around it in advance.
- To achieve this, we'll keep the main offer largely stable from now until the end of this Parliament. So SFI won't be subject to the major changes that have happened each year since SFI began in 2022.
- However, we wouldn't rule out making small adjustments between scheme years. For example, if an action's payment rate proves to be unattractive, we might increase it to encourage more farmers to do that action. This provides the stability that farmers need, while ensuring actions remain attractive and provide value for money.

How have you engaged stakeholders on the development of the SFI26 offer?

- We have engaged over 30 stakeholder organisations on the policy design of the SFI26 offer.

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SFI26 scheme information

What information did you publish on 17 June 2026?

- We published final versions of the scheme information for this year's Sustainable Farming Incentive 2026 offer (SFI26) on GOV.UK on 17 June 2026.
- This included:
    - the terms and conditions which apply to all SFI26 agreements
    - the scheme rules, which explain the mandatory requirements set out in the SFI26 terms and conditions
    - the requirements for each SFI26 action which are available on the 'Find funding for land or farms' tool on GOV.UK (or the HTML print version)
    - guidance to help you apply for, and manage, your SFI26 agreement
- There's a dedicated SFI26 page on GOV.UK which contains all the SFI26 scheme information.

Why did you publishing 'near-final' versions of the SFI26 scheme information before publishing the final versions?

- We published near-final versions of the SFI26 scheme information on 2 June to allow for final checks.
- We received some helpful feedback from leading stakeholders, which we've incorporated. We have only made minimal and non-substantive changes to maintain consistency.

SFI26 Budget

What is the budget for SFI26?

- The budget for new SFI26 agreements this year is £240m. This builds on around £560 million already committed to farmers delivering over 39,000 live SFI agreements.
- Of the £240 million available for SFI26, £60 million has been allocated to Window 1, which is aimed at 2 groups, small farms and those without an existing Environmental Land Management (ELM) revenue agreement. Window 1 is expected to open for applications from 30 June 2026.

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Is the £240m budget the annual value for new SFI26 agreements, or the total value over 3 years?

- The £240m is an annual figure – in other words we have £240m to spend on new SFI26 agreements in application Windows 1 and 2 in this financial year (up to March 2027).
- Nearly all SFI26 agreements will last for 3 years – so the total value of the new SFI26 agreements we enter into this year (assuming the full budget is spent) would be around £720m

What is the budget for Window 1?

- The Window 1 budget is £60m
- Any funding not allocated through Window 1 will be added to the budget for Window 2 which is due to open in September 2026 for all farmers and land managers.

What is the budget for Window 2?

- The Window 2 budget is £180m (plus any unspent budget from Window 1)

Why is the budget for Window 1 smaller than Window 2?

- This is partly because Window 1 (which is only open to small farms and those without an existing ELM revenue agreement) has narrower eligibility than Window 2 (which is open to all farmers and land managers).
- It's also because we expect higher demand for Window 2, for example because of the many thousands of farmers with soon-to-expire SFI23 and CSMT agreements who we expect will want to apply for SFI26.

Is there a risk that the budget for Window 2 is either partially or fully used during Window 1?

- No, we have set clear budgets for each window. If the budget for Window 1 is not fully utilised, it will roll forward to Window 2.

How will you give regular updates on spend?

- We'll publish updates on how much of each application window's budget has been allocated on Defra's Farming Blog.
- We intend to do this once 25%, 50% and 75% of the funding is allocated.

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- This follows a similar approach to the last round of Capital Grants.
- We want to be as upfront as possible with farmers about the rate of applications, so it doesn't come as a surprise if we need to close once the budget for the relevant application window is fully allocated.

[Note: the following updates on the allocation of the SFI26 Window 1 budget have been published on Defra's Farming Blog to date:
- 1 July 2026 – 'SFI26 update: around 25% of window 1 budget now allocated'
- 3 July 2026 – 'SFI26 update: 50% of Window 1 budget now allocated']

Is there a risk that Defra/RPA will unexpectedly close the window (like in March 2025)?
- We want to be as upfront as possible with farmers about the rate of applications, so it doesn't come as a surprise if we need to close once the budget for the relevant application window is fully allocated
- We'll publish updates on how much of each application window's budget has been allocated on Defra's Farming Blog. We intend to do this once 25%, 50% and 75% of the funding is allocated
- This follows a similar approach to the last round of Capital Grants

Timing of Window 1 and 2

How many application windows?
- There will be 2 application windows for SFI26.
- Window 1 (opening in June 2026) – which will only be open to 2 groups (i) small farms and (ii) farms without an environmental land management revenue agreement.
- Window 2 (opening in Sept 2026) – which will be open to all farmers and land managers.

When did Window 1 open?
- The first SFI26 application window opened on Tuesday 30 June 2026 for 2 groups:
    - small farms

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    - farms without an existing ELM revenue agreement

Window 1 – how long will it be open?

- Window 1 will remain open for around 2 months (from Tuesday 30 June 2026 until Friday 28 August 2026) – although it may close sooner if demand is high and the Window 1 budget is fully allocated.
- We'll publish updates on how much of the Window 1 budget has been allocated on Defra's Farming Blog.
- We intend to do this once 25%, 50% and 75% of the funding is allocated.
- Anyone eligible for Window 1 who doesn't apply during Window 1 can apply in Window 2 instead.

[Note: the following updates on the allocation of the SFI26 Window 1 budget have been published on Defra's Farming Blog to date:

- 1 July 2026 – 'SFI26 update: around 25% of window 1 budget now allocated'
- 3 July 2026 – 'SFI26 update: 50% of Window 1 budget now allocated']

Controlled rollout - why invite some farmers to apply before Window 1 opens fully – unfair access?

- Before we opened Window 1 fully, we invited a small number of eligible farmers to apply from around 18 June. This was to test and refine the application service in a controlled way to make sure the application service is working as expected ahead of full rollout.
- This is consistent with the roll out of SFI applications in previous years.

Window 2 – how long will it be open for?

- Window 2 will open in September 2026.
- We cannot set a fixed end-date at this point, because this will depend on how many farmers apply, and the rate at which we enter into agreements and therefore commit budget.
- We will set clear budgets for each window, and we'll give regular updates, so farmers know when Window 2 is close to being fully subscribed.

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SFI26 eligibility

Has eligibility for SFI26 changed?

- Most of the core eligibility requirements which apply to all SFI26 applicants stays the same as it was in SFI24. This includes that they:
  - are a farmer or land manager
  - have land parcels located entirely within England, and the area of land or landscape feature is eligible for the SFI actions they want to select (e.g. arable actions can only be done on arable land, hedgerows actions on hedgerows, etc.) – each action sets out which land / landscape features are eligible
  - will have management control of the eligible land they'll enter into their selected SFI actions for their entire duration – usually the entire 3-year duration of their SFI26 agreement, unless they select organic conversion actions
- However, there are two main changes to eligibility:
  - a new rule that, to be eligible for SFI26 (both Windows 1 and 2), farmers should have at least 3ha of agricultural land
  - application Window 1 will only be open to (i) small farms and (ii) farms without an environmental land management revenue agreement

What is the new 3ha minimum area threshold for farmers to be eligible for SFI26?

- To be eligible for SFI26 (both Windows 1 and 2) farmers should have at least 3ha of agricultural land.
- This means, at the point of application, the land needs to be already:
  - registered with the RPA with the relevant agricultural land covers (arable land, permanent grassland or permanent crops)
  - linked to the farm business's SBI
- Introducing a minimum area threshold is intended to focus SFI on farms (rather than hobby farms and pony paddocks)
- We've chosen a threshold of 3ha following discussions with the sector and to reflect Baroness Batters' recommendation in her recent Farming Profitability Review.

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Will farmers have to enter at least 3ha of agricultural land into their SFI26 agreements?

- No. The new 3ha minimum area threshold only applies to eligibility to apply for an SFI26 agreement. Farmers can choose what area of eligible land to enter into their SFI26 agreements.

When does a business need to have been registered with the RPA?

- Each farm business that's registered with the RPA is issued with a Single Business Identifier (SBI). This is a unique reference number which identifies the business.
- For Window 1, farm businesses (as identified by their SBI) from the 2 eligible groups (small farms and farms without an existing ELM revenue agreement):
  - need to have been registered with the RPA on 1 January 2026
  - need to have had some agricultural land linked to it on that date.
  - this requirement (and the 1 January 2026 date) only applies to eligible applicants for Window 1, so we can identify their SBIs before the window opens in June 2026.
- For Window 2, farm businesses need to be registered with the RPA and have an SBI by the point they want to apply.

What do I need to do to get ready to apply?

- You can find out what you need to do to get ready to apply in the SFI26 scheme information on GOV.UK [note: this is covered in section 7 'Get ready to apply' in the SFI26 scheme rules and guidance, which replicates the information in the 'Get ready to apply for Window 1' guide which was published before the main SFI26 scheme information]
- There's a dedicated SFI26 page on GOV.UK which contains all the SFI26 scheme information

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Window 1 eligibility

Window 1 – which farmers will be eligible?

- Window 1 (from June 2026) will only be open to 2 groups: (i) small farms and (ii) farms without an environmental land management revenue agreement. You only need to be in one of these groups.
- In both cases, the farm business would need to be registered with the RPA as of 1 Jan 2026 and the SBI needs to have had some agricultural land linked to it on that date.

Window 1 – how are you defining a 'small farm'?

- You can find the definition of a 'small farm' in the SFI26 scheme rules and guidance on GOV.UK.
- A small farm is defined as a farm business which had up to 50ha of agricultural land registered with the RPA and linked to its SBI on 1 January 2026.
- Small farms also need to have a minimum of 3ha of agricultural land at the point of application (as part of the minimum area threshold for all eligibility for SFI26).
- Agricultural land is defined in the SFI26 scheme rules and guidance we published on GOV.UK.

Window 1 – how are you defining 'farms without an existing environmental land management revenue agreement'?

- You can find the definition of 'farms without an existing ELM revenue agreement' in the SFI26 scheme rules and guidance we published on GOV.UK
- A farm without an existing ELM revenue agreement is defined as a farm business which did not have a live, RPA-administered ELM revenue agreement on 1 January 2026.
- Your farm business will qualify under this group if it did not have an agreement for any of the following RPA-administered ELM revenue schemes on 1 January 2026:
    - SFI
    - Countryside Stewardship Mid Tier
    - Countryside Stewardship Higher Tier (both old and new schemes) – this includes woodland-only and mixed agreements
    - Higher Level Stewardship (part of Environmental Stewardship)
- RPA-administered ELM revenue schemes do not include schemes such as:

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    - standalone Capital Grants
    - private sector schemes
    - Landscape Recovery
- 'Farms without an existing ELM revenue agreement' also need to have a minimum of 3ha of agricultural land at the point of application (as part of the minimum area threshold for all eligibility for SFI26).

I have a woodland Countryside Stewardship (CS) agreement – does it count as an existing ELM agreement?

- Yes, a woodland CS agreement is an ELM revenue agreement
- Therefore, if you have a live woodland CS agreement, you won't qualify for Window 1 as being 'without an existing ELM revenue agreement'
- So, if your SBI has more than 50ha of agricultural land, they won't be eligible for Window 1 (if it's 3-50ha they'd qualify for W1 as a small farm)

Window 1 – if I don't apply before Window 1 closes, can I apply in Window 2 instead?

- Yes, if a farmer eligible for Window 1 doesn't apply in Window 1, they could apply in Window 2 instead.

Window 1 – I have a 'small farm' <u>and</u> an existing ELM revenue agreement – can I apply?

- Yes, you can apply for Window 1 if you are either a 'small farm' or a 'farm without an existing ELM revenue agreement' (or both).
- You can find the definition of 'small farms' and 'farms without an existing ELM revenue agreement' in the SFI26 scheme rules and guidance.

Window 1 – my farm is over 50ha, but I don't have an existing ELM revenue agreement – can I apply?

- Yes, you can apply for Window 1 if you are either a 'small farm' or a 'farm without an existing ELM revenue agreement' (or both).
- You can find the definition of 'farms without an existing ELM revenue agreement' in the SFI26 scheme rules and guidance.

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Why have I received an email from the RPA in May 2026 to say I may be eligible for Window 1?

- RPA is encouraging farmers who may be eligible for Window 1 to get ready to apply before applications open in June 2026.
- The email does not confirm eligibility to apply in Window 1. Farmers need to check the eligibility criteria for Window 1 in the SFI26 scheme rules and guidance on GOV.UK.

Why haven't I received an email from RPA in May 2026 to say I may be eligible for Window 1? Does this mean I'm not eligible?

- RPA is encouraging farmers who may be eligible for Window 1 to get ready to apply before applications open in June 2026.
- The email does not confirm eligibility to apply in Window 1. Farmers need to check the eligibility criteria for Window 1 in the SFI26 scheme rules and guidance on GOV.UK

How can I find out if I'm eligible to apply in Window 1?

- You need to check the eligibility criteria for Window 1 in the SFI26 scheme rules and guidance on GOV.UK.

I believe I may be eligible to apply in Window 1, but am unable to start an SFI26 application in the Rural Payments service. What do I need to do?

- You need to contact the RPA as soon as possible.

New entrant farmers – are they eligible for Window 1?

- The eligibility rules for Window 1 apply to new entrants the same as any other farmer
- So, to be eligible, the farm business would need to:
    - have been registered with the RPA on 1 Jan 2026, and to have had some agricultural land linked to it on that date
    - qualify as a 'small farm' or 'farm without an existing ELM revenue agreement' (as defined in the SFI26 scheme rules and guidance on gov.uk)
- If a new entrant farmer meets these criteria, they would be eligible for Window 1

- If not (e.g. if the farm business was registered after 1 Jan 2026) they wouldn't be eligible for Window 1 – but they may well be eligible for Window 2 (provided they meet the criteria for that window)

Window 2 eligibility

Window 2 – which farmers will be eligible?

- All farm businesses which:
    - are registered with the RPA and have an SBI at the point of application, and
    - have at least 3ha of eligible agricultural land linked to that SBI.

Farmers with soon-to-expire SFI23/CSMT/CSHT/HLS agreements

I have a soon-to-expire ELM revenue agreement – will I be able to apply for the SFI26 offer before my existing agreement ends?

- Usually, farmers with 'soon-to-expire' ELM revenue agreements would not be able to access the full SFI26 offer until their existing agreement expires. This is because many SFI26 actions would:
    - be incompatible with what's in their existing ELM revenue agreement
    - mean we'd be paying twice for the same thing on the same land, at the same time (known as 'double funding')
- However, in response to feedback from farmers and stakeholders, we have been developing functionality on the SFI26 application service to help farmers with soon-to-expire ELM revenue agreements to apply for land covered by these agreements *before* their existing agreements expire.
- The new functionality will prevent SFI26 agreements from starting until after the relevant soon-to-expire agreement has ended.
- On 30 June 2026, we confirmed that this functionality will be available to farmers with soon-to-expire ELM revenue agreements when we open Window 2 in September 2026.
- For SFI26, this new functionality will only be available to farmers with agreements expiring by the end of February 2027 under the following schemes:
    - SFI23
    - Countryside Stewardship Mid Tier (CSMT)

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- Legacy CS Higher Tier (CSHT)
- Environmental Stewardship Higher Level Stewardship (HLS)

- Some farmers with soon-to-expire ELM revenue agreements will qualify as 'small farms' eligible for Window 1, however they may wish to consider waiting to apply in Window 2 (from September) once the functionality is available. This will mean that their SFI26 agreement starts later, but they'll be able to access the full SFI26 offer available for land in their soon-to-expire agreements.

Why are you only allowing farmers with ELM revenue agreements due to expire by the end of February 2027 to apply early in Window 2 using the new functionality?

- We're only making the new functionality to apply early available to farmers whose existing ELM revenue agreements expire early enough that they could have entered an SFI26 agreement in this financial year (FY). In other words, they could have applied for and entered into an SFI26 agreement later this FY – but we're allowing them to apply earlier than would normally be possible.
- Only farmers with agreements expiring by the end of February 2027 would have had sufficient time, after those agreements ended, to apply for and enter an SFI26 agreement in this FY.
- There may be an opportunity for farmers with agreements which expire after the end of February 2027 to apply for a future SFI offer. We will announce the timing of the SFI27 offer in due course.

My ELM revenue agreement is due to expire at the end of March 2027. Why can't I apply early for SFI26 Window 2 using the new functionality?

- We're only making the new functionality to apply early available to farmers whose existing ELM revenue agreements end early enough that they could have entered into an SFI26 agreement in this financial year (FY).
- Farmers with agreements expiring at the end of March 2027 would not have had enough time, after those agreements ended, to apply for and enter an SFI26 agreement in this FY.
- There may be an opportunity for farmers with agreements which expire at the end of March 2027 to apply for a future SFI offer. We will announce the timing of the SFI27 offer in due course.

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Why aren't you making the new functionality to apply early for SFI26 Window 2 available to farmers whose existing ELM revenue agreements end later?

- We're not making the new functionality available to farmers whose existing ELM revenue agreements end too late for them to have applied for and entered an SFI26 agreement in this financial year.
- There may be an opportunity for these farmers to apply for a future SFI offer. We will announce the timing of the SFI27 offer in due course.

I qualify as a 'small farm' for Window 1, but I have an ELM revenue agreement that's due to expire by the end of February 2027. Should I wait to apply in Window 2?

- Some farmers with ELM revenue agreements due to expire by the end of February 2027 will qualify as 'small farms' eligible for Window 1
- These farmers may wish to consider waiting to apply in Window 2 (from September) once the new functionality to apply early is available.
- This will mean that their SFI26 agreement starts later, but they'll be able to access the full SFI26 offer available for land in their soon-to-expire agreements.

Won't allowing many thousands of farmers with soon-to-expire ELM revenue agreements to 'apply early' in Window 2 mean there won't be budget available for other farmers and land managers?

- This is about giving all eligible farmers a fair chance to apply for SFI26, including farmers who have already been in schemes delivering for the environment.

Does this mean you'll be allowing farmers with expiring ELM revenue agreements to apply for future versions of SFI before their existing agreements end?

- This intended approach does not necessarily set a precedent for future versions of SFI. If we decide to repeat the approach, we'd announce this ahead of any future version of SFI opening.

If you're considering ending an ELM revenue agreement early

- Some farmers and land managers may be considering ending their existing ELM revenue agreement early to apply for SFI26.

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- We encourage you to remain in your existing agreement until the end of its term. Ending an agreement early may mean you need to repay some or all of the payments made to you.
- For farmers with soon-to-expire ELM revenue agreements, we're developing functionality on the SFI26 application service to allow farmers to apply for land covered by these agreements before these agreements expire. We expect this to be in place from the start of Window 2. We expect to be able to confirm whether this intended approach will be possible towards the end of June.

SFI26 actions

Where can I find the SFI26 actions?

- We published final versions of each of the 71 SFI26 actions on 16 Jun 2026
- Each action is available on the 'Find funding for land or farms' tool on GOV.UK (or all 71 actions in the HTML print version)

How do I know if an action has changed for SFI26?

- Each SFI26 action explains if any changes have been made to the action for SFI26 (compared with the SFI24 version).

Why has action GRH1 been replaced by GRH12?

- We've reviewed action GRH1 (manage rough grazing for birds) because (i) it was a high value action with high value for money; but (ii) had very low uptake
- We've replaced GRH1 with a new action (GRH12: manage rough grassland for upland breeding waders). The new action:
    - has a higher payment rate (£203 per hectare, as opposed to £121 per hectare)
    - focusses more specifically on upland wader birds
- We expect the new action will have higher uptake (e.g. due to the higher payment rate) and therefore contribute more strongly to biodiversity targets.

How have you changed action AHW9 (unharvested cereal headland)?

- AHW9 is a high paying action (£1,072/ha).

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- Some stakeholders have raised concerns that (in SFI24) it was being done on large tracts of land, rather than headlands (i.e. areas on the edges of arable fields where machinery is turned).
- To address this, we've:
  - defined 'headland' within the action
  - clarified that AHW9 can only be done on headlands, and the strips or plots must be no more than around 24 metres wide
- We'll keep this action under review to see whether further changes are needed.

Streamlining of actions

Why have you streamlined the SFI26 offer?

- We've streamlined the offer to reduce complexity – while still having actions available for all farm types.
- We've removed around a third of the previous actions – particularly those that weren't delivering for food production or the environment.

How have you streamlined the actions in the SFI26 offer?

- The SFI26 offer will have 71 actions (compared with 102 actions in SFI24).
- We have aimed for a package of actions which is simpler, whilst giving plenty of choice to farmers, keeping the scheme attractive, and helping to support sustainable food production.
- We have focused on actions that deliver high value for money and contribute to the Government's Environment Improvement Plan water quality and biodiversity targets, and the target to double the number of farms providing sufficient year-round resources for farm wildlife by December 2030 (compared with 2025).

Why are there fewer actions available in the SFI26 offer?

- SFI24 had 102 actions and this was making the scheme too complex and unwieldy. Some of these actions had low uptake or were not delivering enough value for money.
- We've therefore streamlined the SFI26 offer to 71 actions. This has produced an offer which is simpler, whilst giving plenty of choice to farmers and keeping the scheme attractive. We have focused on actions that deliver high value for money, contribute strongly to our environmental targets, and help underpin food production.

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- The actions we've removed are those that weren't delivering enough for food production or the environment.

How did you decide which actions to remove?
- We have focused on actions that deliver high value for money, contribute strongly to our environmental targets, and help underpin food production.
- The actions we've removed are those that weren't delivering enough for food production or the environment.

SFI26 payments

Why are you removing the management payment for SFI26 agreements?
- The SFI management payment was a temporary payment to support farmers adjusting to the new scheme. Also, it was delivering poor value for money.
- Removing the management payment for SFI26 agreements will improve value for money of the scheme. And it will release more funding so we can get more farms into agreements.

Have there been changes to the way SFI payments work?
- Most aspects of SFI payments remain as they were in SFI24 e.g.:
  - payments are still annual payments paid in quarterly instalments
  - 1st payment usually made in the 4th month of agreement
- Most payment rates for SFI26 actions are the same as SFI24, apart from:
  - we've increased rates for 5 moorland actions
  - we've reduced rates for 3 high uptake actions

Increased payment rates for some moorland actions?
- We are increasing the payment rates for some moorland actions (in both new and existing agreements) that we have retained for SFI26, namely:
  - 3 livestock grazing rates
  - 2 shepherding livestock rates
- [Detail if needed. The rate changes are:
  - UPL1: Moderate livestock grazing on moorland – £35/ha (increased from £20/ha)

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- UPL2: Low livestock grazing on moorland – £89/ha (increased from £53/ha)
- UPL3: Limited livestock grazing on moorland – £111/ha (increased from £66/ha)
- UPL8: Shepherding livestock on moorland (remove stock for at least 4 months) – £74/ha (increased from £43/ha)
- UPL10: Shepherding livestock on moorland (remove stock for at least 8 months – £102/ha (increased from £48/ha)]

Reduced payment rates for 3 high uptake actions?

- We are reducing the payment rates for three high uptake actions (new agreements only). Namely:
  - CSAM3: Herbal leys
  - CAHL2: Winter bird food
  - CNUM3: Legume fallow
- The reduced payment rates will only apply to SFI26 agreements – existing SFI23/24 agreements which contain these actions will not be affected.

Other changes for SFI26

What is the agreement value cap – why are you introducing it?

- The new agreement value cap will be set at £100k p.a. – i.e. it won't be possible to have an SFI26 agreement worth more than £100k per year
- This is a 'one size fits all' value cap – it applies equally to farms of all sizes
- This cap is being introduced to help spread funding across more farms
- We've set the cap at a high level, and we expect that around 97% of farmers won't be affected (if we had the same cap in SFI24 only 3% of agreements would have exceeded the cap)

What is the 'only one SFI26 agreement per farm business' rule – why are you introducing it?

- There will be a rule of 'only one SFI26 agreement per farm business' (as identified by its SBI).

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- We are introducing this rule (i) to help ensure more farmers can enter into SFI26 agreements; and (ii) to reinforce the agreement value cap by making it impossible to circumvent the cap by entering into multiple agreements.
- This rule will only apply to SFI26 agreements (e.g. if a farmer already has an SFI23/24 agreement, they would still be able to apply for one SFI26 agreement).

Why are you introducing a cap on rotational actions in SFI26?

- We're capping the amount of land that can be added to rotational actions after the 1st year of an SFI26 agreement, to free-up more money to spend on more agreements.
- We introduced a similar limit on rotational actions for the Re-opened SFI24 offer last summer, but there was no such limit for SFI23 or SFI24 agreements applied for prior to then. This caused budgetary uncertainty because we had to hold back money to cover the potential additional cost. In practice, this meant there was less money available for new agreements.
- Aside from this, we will retain some of the current rotational flexibility. Farmers will still be able to:
    - move the location of rotational actions (e.g. from field to field in line with crop rotations)
    - reduce the area, and increase it provided they don't exceed the Year 1 area/value. For example, they could have 10ha in Y1, then 5ha in Y2, then 10ha in Y3…but they couldn't go above 10ha

Does the new rule on rotational actions affect my SFI23/24 agreement?

- No, the change for rotational actions only applies to SFI26 agreements. Existing agreements will be subject to the rules under which those agreements were made.

Why are you turning 5-year actions into 3-year actions?

- We're turning a small number of 5-year actions into 3-year actions for SFI26 to help simplify the SFI26 offer. It will mean all SFI26 agreements have the same 3-year duration. It will also make these actions more accessible for short-term tenant farmers.

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Why are you reducing the payment rates for the 3 high uptake actions?

- We're reducing payment rates for the 3 highest uptake actions (herbal leys, winter bird food and legume fallow) because initial payment rates for these actions were set too high and made it too attractive to take land out of food production. We're recalibrating them to reflect current margins. They'll still be fair and generous — but they'll support food production, not undermine it.
- SFI26 payment rates are still based on the 'income foregone plus costs' approach. This means the rate covers both any income you may lose and the cost of doing the action, such as seed and establishment for a herbal ley.
- Overall, we expect these actions to remain attractive for less productive land but become less attractive for more productive land. This helps strike a balance between supporting the environment whilst also supporting food production.

Will the 3 (reduced payment) actions pay more in SFI23/24 agreements than in SFI26 agreements?

- Yes. The reduced payment rates will only apply to SFI26 agreements. Existing SFI23 and SFI24 agreements which contain these actions will not be affected.