

# The Agricultural Transition: Rural Payments Schemes in 2022

**Farming**  
Advice Service

8 February 2022



Department  
for Environment  
Food & Rural Affairs

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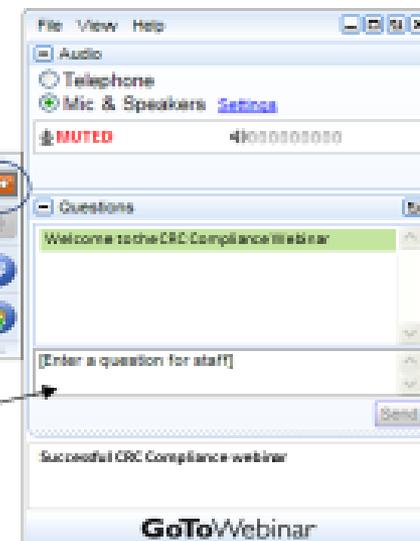
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# The Agricultural Transition: Rural Payments Schemes in 2022

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# Rural Payments Schemes in 2022

- Rural payments schemes in 2022
  - **Basic Payment Scheme**
  - **Countryside Stewardship**
  - **Sustainable Farming Incentive**
  - Lump Sum Exit Scheme
  - Testing Local Nature Recovery
  - Piloting Landscape Recovery projects
  - Farming Transformation Fund
  - Future Farming Resilience Fund
  - Farming Innovation Programme
  - Farming in Protected Landscapes

# Basic Payment Scheme

## Key Facts for 2022

### Key Dates

**Applications open 15 March** – guidance on GOV.UK

**Monday 16 May**

- ✓ deadline to submit BPS application without penalty
- ✓ deadline to transfer BPS entitlements to use with 2022 BPS application (transfer online if possible)
- ✓ land must be ‘at the disposal’ of the BPS applicant (transfer land online if possible)

**10 June** – last day to submit BPS application with penalty and make certain changes without penalty if application submitted by 16 May

### Eligibility

**Applicant eligibility**

- ✓ A ‘farmer’ – carrying out an ‘agricultural activity’
- ✓ with at least 5 ha of BPS eligible land and 5 ha of BPS entitlements on 16 May 2022

**Land eligibility**

- ✓ Agricultural area primarily used throughout 2022 for an ‘agricultural activity’

# Countryside Stewardship

## Key Facts for 2022

### Key Dates

**Applications open 8 February** – guidance on GOV.UK

Higher Tier, Mid Tier (inc. Wildlife Offers), Capital Grants

**31 March** – deadline to request Higher Tier application pack

**29 April** – deadline to submit Higher Tier application

**27 May** – deadline to request Mid Tier/ Wildlife Offers paper application pack

**Friday 29 July** – deadline to submit Mid Tier or Wildlife Offer application

### What's New?

**Mid Tier Online** – via the Rural Payments service

**No application deadline for Capital Grants**

**New revenue payment rates effective from 1 January 2022**

- Majority of payment rates increased. Average increase of around 30% compared with 2013 rates

**Reduced evidence needed to support applications**

**Changed approach to site visits (inspections)**

**Fairer and more proportionate penalties**

# Sustainable Farming Incentive in 2022

- December 2021 – Defra published details of how the Sustainable Farming Incentive will work in 2022
- The starting point – 3 standards
  - Arable and horticultural soils – 3 ambition levels (introductory, intermediate, advanced)
  - Improved grassland soils – 3 levels
  - Moorland and rough grazing – introductory level
- Annual health and welfare review
  - Yearly farm visit from a vet or vet-led team
  - Initially available to BPS eligible farmers in England who keep more than 50 pigs, 20 sheep or 10 cattle.

# Sustainable Farming Incentive in 2022 Eligibility

## **Applicant eligibility**

- Only farmers eligible for the Basic Payment Scheme are eligible to apply for the Sustainable Farming Incentive

## **Land eligibility**

- Wholly located in England – cross-border parcels ineligible
- Must have management control of the land for duration of the 3-year agreement - usually, owner occupier or tenant
  - Between 2 and 3 years left on tenancy term, this land is eligible to enter – if tenancy not renewed, can withdraw land from agreement without breach occurring
  - Less than 2 years left on tenancy term, land ineligible
- Land also needs to be eligible for the standards

# Sustainable Farming Incentive in 2022 Eligibility – Common Land

- Common land eligible through group agreements
- Groups can include commoners and non-farmers
- Before applying, group of commoners is responsible for reaching consensus
  - Must form a 'single entity' to act on behalf of the group
  - That single entity needs to have sufficient management control to deliver the agreement

# Sustainable Farming Incentive in 2022

## Eligibility – Interaction with other schemes

### **Basic Payment Scheme (BPS)**

- Land parcels can be used to claim BPS 2022 and the Sustainable Farming Incentive
  - As long the respective scheme eligibility criteria are met

### **Countryside Stewardship and Environmental Stewardship**

- BPS eligible farmers can apply for the Sustainable Farming Incentive on land parcels in an existing Countryside Stewardship or Environmental Stewardship agreement, provided:
  - The Sustainable Farming Incentive standard chosen is compatible with their existing agreement; and
  - It doesn't result in being paid twice for similar activities

# Sustainable Farming Incentive in 2022 Agreements

- Select which eligible land to include – not whole farm scheme
  - Make sure it's mapped correctly before you apply
- 3-year agreement
- Can amend every 12 months from agreement start date to increase ambition and coverage
  - Add standards as they become available
  - Add more land
  - Increase ambition levels within standards
- No capital funding available under SFI standards in 2022, but can apply for Countryside Stewardship Capital Grants
- Annual payment paid in quarterly instalments
  - First payment made 3 months after agreement starts

# Sustainable Farming Incentive Payments – Arable and horticultural soils

| Introductory level – £22 per hectare   | Intermediate level – £40 per hectare  | Advanced   |
|--|---|--|
| Test soil organic matter   | Test soil organic matter  |  |
| Undertake a soil assessment and produce a soil management plan   | Undertake a soil assessment and produce a soil management plan  |  |
| <p>70% winter cover to protect soil:</p> <ul style="list-style-type: none"> <li>at least 70% of land in the standard must have green cover over the winter months (Dec-Feb)</li> <li>this can include any kind of green cover, including autumn sown crops and weedy stubbles</li> </ul> | <p>70% winter cover to protect soil:</p> <ul style="list-style-type: none"> <li>at least 70% of land in the standard must have green cover over the winter months (Dec-Feb)</li> <li>this must include land with multi-species green cover – covering at least 20% of total land in the standard</li> </ul> | <p><b>Defra plans to add an advanced level to this standard from 2023 onwards.</b></p> <p><b>Likely to include increased use of no-tillage techniques.</b></p> |
| <p>Addition of organic matter:</p> <ul style="list-style-type: none"> <li>add organic matter to 1/3 of the land in the standard each year</li> <li>this can include any kind of organic matter, including sown green cover crops</li> </ul>  | <p>Addition of organic matter:</p> <ul style="list-style-type: none"> <li>add organic matter to 1/3 of the land in the standard each year</li> <li>this will include multi-species green cover, and other ways to add organic matter</li> </ul>   |  |

# Sustainable Farming Incentive Payments – Improved grassland soils

| Introductory level – £28 per hectare                                      | Intermediate level – £58 per hectare  | Advanced  |
|---|---|---|
| Test soil organic matter  | Test soil organic matter  | Defra plans to add an advanced level to this standard from 2023 onwards |
| Undertake a soil assessment and produce a soil management plan            | Undertake a soil assessment and produce a soil management plan                                |   |
| 95% green cover to protect soil (no more than 5% bare ground over winter) | 95% green cover to protect soil (no more than 5% bare ground over winter)                     |   |
|   | Establish/maintain herbal leys to improve soil health on at least 15% of land in the standard |   |

# Sustainable Farming Incentive Payments – Moorland and rough grazing

**Introductory level – £148 fixed per agreement per year, plus additional variable payment rate of £6.45 per hectare**

Verify and record soil types, including peatland, and associated vegetation

Evaluate the public goods potential and condition of the moorland

Identify opportunities to maintain or enhance public goods

**Intermediate and advanced levels**

**To follow later in SFI rollout**

# Sustainable Farming Incentive 2023-2025

- Planning the rollout of standards to:
  - Deliver more and better outcomes as early as possible
  - Make the scheme accessible and attractive to a wide range of farms
  - Deliver incrementally rather than as a ‘big bang’

| Year | Planned added standards available   |
|------|---|
| 2023 | Integrated pest management, nutrient management and hedgerows   |
| 2024 | Agroforestry, remaining moorland standard levels, low and no input grassland, water body buffering and a farmland biodiversity standard |
| 2025 | Organic, on-farm woodland, orchards/specialist horticulture (and potentially heritage and dry stone walls)                              |

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**FAS website:** provides links to information and a calendar of events  
[www.farmingadvice.org.uk](http://www.farmingadvice.org.uk)

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*Please contact us with any feedback or suggestions on topics you would like to see in future editions*

*We would be grateful if you could spare a few moments to complete this **short survey** about the new layout of the FAS newsletter*

November 2020 – Issue 57

**Key dates**

**How can FAS help you?**  
Government sets out its plan for agricultural transition in England.

**Avian Influenza (bird flu) update**  
Water abstraction reminders

**Remember to submit your annual sheep and goat inventory**  
Farming Community Network

**Nitrate Vulnerable Zone reminders – storage requirements for manure heaps and slurry**  
The Agriculture Bill 2020 becomes law

**Basic Payment Scheme 2020 entitlement values and greening rates**  
Government consults on fertiliser use to reduce air pollution

**Farming Advice Service webinar programme**  
Using greening features on your farm in 2021  
Sign up to FAS services