

INTRODUCTION

The Sustainable Farming Incentive (SFI) will open again in 2026. Whilst the SFI26 will remain a broad offer that should be accessible to most farms, it has undergone some changes since the SFI24 closed in March 2025. There will be no rolling application windows, applications will be restricted, options have been altered, and payments will be capped. This means careful consideration will be needed when setting up initial agreements.

LIMITS

- **Capping:** no SFI26 agreement can be worth more than £100,000
- **One Agreement:** each farm business can have only one SFI26 agreement
- **Rotational Actions:** in a change to previous rules, the area or value of rotational actions will not be able to be increased beyond what was included in Year 1. It will still be possible to move rotational actions between fields to

PAYMENTS

Some payment rates have been adjusted. Five of the Moorland Actions have increased and three of the 'popular' Actions have been reduced. Where rates have changed, these are highlighted in the table below. Importantly, any reductions will only be made to SFI26 agreements, they **will not** be made to existing SFI23 and SFI24 agreements. Where payments have increased, existing agreements **will** benefit from the increased rates.

APPLICATION WINDOWS

SFI26 will be rolled out in two stages.

- **Window 1:** opens June 2026 (for about 2 months, depending on budget uptake). For 'Small Farms'- less than 50 hectares and those without an ELM revenue agreement' - SFI, CS or HLS
- **Window 2:** opens September 2026 for all other farms. Closing date depends on budget - *this window is not expected to be open for long.*

match crop rotations and it will be possible to reduce the area in Year 2 and increase again in Year 3 – as long as it does not go above the Year 1 Level

- **25% Area Cap:** AHW7: Enhanced overwintered stubble has been added to the existing 25% area limit cap. This now covers 10 Actions (see table below). These Actions cannot be done (individually or in combination) on more than 25% of the total agricultural area of the farm. *This is to prevent too much land being taken out of production.*

ACTIONS

The number of Actions has been reduced from 102 to 71 - set out in the table below. Those that have been removed have been struck through so readers can compare. Actions previously with a 5-year duration will become 3-year Actions in SFI26. This change will make these elements more accessible for short-term tenant farmers. In addition, Base Actions and Supplemental Actions must be applied for together, in the same agreement, at the same time.

SUSTAINABLE FARMING INCENTIVE 2026 (as at March 2026)

Code	Payment	Summary of Actions
ACTIONS FOR SOILS		
CSAM1	£97 + £6.00 per Ha	Assess soil, test soil organic matter and produce a soil management plan <i>Removed for 2026</i>
CSAM2	£129 per Ha	Multi-species winter cover crops
CSAM3	£224 per Ha	Herbal leys (<i>Remains at £382/Ha for 2023 & 2024 Agreements</i>)
SOH1	£73 per Ha	No-till farming
SOH2/3	£163 per Ha	Multi-species spring/summer-sown cover crops <i>SOH2 removed for 2026</i>
SOH4	£204 per Ha	Winter cover following maize crops <i>Removed for 2026</i>

ACTIONS FOR NUTRIENT MANAGEMENT

CNUM1	£652 per year	Assess nutrient management and produce a review report <i>Removed for 2026</i>
CNUM2	£102 per Ha	Establish and maintain legumes on improved grassland
CNUM3	£532 per Ha	Establish and maintain legume fallow (<i>Remains at £593/Ha for 2023 & 2024 Agreements</i>)

ACTIONS FOR INTEGRATED PEST MANAGEMENT (IPM)

CIPM1	£1,129 per year	Assess integrated pest management (IPM) and produce an IPM plan <i>Removed for 2026</i>
CIPM2	£798 per Ha	Establish and maintain flower-rich grass margins, blocks, or in-field strips
CIPM3	£55 per Ha	Establish a companion crop on arable and horticultural land
CIPM4	£45 per Ha	No use of insecticide on arable crops or permanent crops (static on permanent crops)

SUSTAINABLE FARMING INCENTIVE 2026 (as at March 2026)

Code	Payment	Summary of Actions
ACTIONS FOR PRECISION FARMING		
PRF1	£27 per Ha	Variable rate application of nutrients on arable, horticultural or improved grassland
PRF2	£43 per Ha	Camera or remote sensor guided herbicide spraying on arable, permanent crops or permanent grassland
PRF3	£101 per Ha	Non-mechanical robotic weeding (e.g laser) on arable and horticultural land Removed for 2026
PRF4	£150 per Ha	Mechanical robotic weeding on arable and horticultural land

ACTIONS FOR FARMLAND WILDLIFE & HABITATS ON ARABLE AND HORTICULTURAL LAND

CAHL1 ^{①②}	£739 per Ha	Establish and maintain blocks or strips of pollen and nectar flower mix
CAHL2 ^{①②}	£648 per Ha	Establish and maintain blocks or strips of winter bird food on arable or horticultural land <i>(Remains at £853/Ha for 2023 & 2024 Agreements)</i>
CAHL3 ^{①②③}	£590 per Ha	Establish and maintain grassy field corners or blocks
AHW1^{①②}	£747 per Ha	Establish a bumblebird mix as a block or strip Removed for 2026
AHW2	£732 per tonne	Supplementary winter bird food
AHW3 ^{②③}	£764 per Ha	Establish an in-field beetle bank
AHW4	£11 per plot	Establish Skylark plots (min. 2 plots per Ha)
AHW5 ^②	£765 per Ha	Establish nesting plots for lapwing
AHW6	£58 per Ha	Basic overwinter stubble
AHW7 ^①	£589 per Ha	Enhanced overwinter stubble
AHW8	£596 per Ha	Whole crop spring cereals and overwintered stubbles
AHW9 ^{①②}	£1,072 per Ha	Unharvested cereal headland
AHW10	£354 per Ha	Low input harvested cereal crop
AHW11 ^{①②}	£660 per Ha	Fallow cultivated margins or plots for arable plants
AHW12^{②③}	£428 per Ha	Manage woodland edges on arable land Removed for 2026

ACTIONS FOR FARMLAND WILDLIFE & HABITATS ON GRASSLAND

CIGL1 ^{①②③}	£333 per Ha	Take improved grassland field corners and blocks out of management
CIGL2 ^{①②}	£515 per Ha	Maintain improved grassland to provide winter bird food
CLIG3 ^③	£151 per Ha	Manage grassland with very low nutrient inputs
GRH1 ^③	£121 per Ha	Manage rough grazing for birds
GRH6	£646 per Ha	Manage priority habitat species-rich grassland (endorsed) Removed for 2026
GRH7/8	£157 /187 per Ha	Haymaking supplement/Haymaking supplement late cut
GRH10	£28 per Ha	Lenient grazing supplement
GRH11	£59 per Ha	Cattle grazing supplement (non-moorland) Removed for 2026
SCR1/2 ^③	£588/350 per Ha	Create /manage scrub and open habitat mosaics

ACTIONS FOR MOORLAND

CMOR1^③	£272 + £10.60 per Ha	Assess moorland and produce a written record Removed for 2026
UPL1/2/3 ^③	£35/89/11 per Ha	Moderate/low/limited livestock grazing on moorland <i>(increased from £20/53/66/Ha)</i>
UPL4/5/6	£7/18/23 per ha	Keep cattle & ponies on moorland supplement - Min. 30% GLU / Min. 70% GLU / 100% GLU UPL 4 removed for 2026
UPL7^③	£33 per Ha	Shepherding livestock on moorland - no stock removal period Removed for 2026
UPL8/9/10 ^③	£74/45/102 per Ha	Shepherding livestock on moorland - remove stock for min. 4/6/8 mths UPL9 removed 2026 <i>(UPL8/10 increased from £43/£48 respectively)</i>

ACTIONS FOR SPECIES RECOVERY AND MANAGEMENT

SPM2/3	£92/146 per Ha	Native breeds on grazed habitats suppl't - 50-80%/>80% SPM2 removed for 2026
SPM4/5	£7/11 per Ha	Native breeds on extensively managed habitats suppl't - 50-80%/> 80% SPM4 removed for 2026

① **Area Restrictions:** A maximum of 25% of a farm's total area can be placed into any combination of these 10 options.

② **Part field only:** This action can only be applied on part of the available area in the land parcel.

③ **Static:** This action must stay in the same location for the three years of the agreement. Exemptions for some where previously established, refer to scheme guidance.

SUSTAINABLE FARMING INCENTIVE 2026 (as at March 2026)

Code	Payment	Summary of Actions
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ACTIONS FOR BOUNDARY FEATURES

CHRW1 Ⓢ	£5 per 100m - 1 side	Assess and record hedgerow condition Removed for 2026
CHRW2	£13 per 100m - 1 side	Manage hedgerows so there's a range of different heights and widths
CHRW3 Ⓢ	£10 per 100m - both sides	Maintain existing hedgerow trees, or establish new ones, so there's an average of at least 1 hedgerow tree per 100m Removed for 2026
BND1	£27 per 100m - both sides	Maintain dry stone walls
BND2	£11 per 100m - 1 side	Maintain earth banks or stone-faced hedgebanks

ACTIONS FOR AGROFORESTRY

AGF1/2	£248/£385 per Ha	Maintain v low/low density in-field agroforestry on less sensitive land
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ACTIONS FOR WATERBODIES

WBD1	£257 per pond	Simple Pond management (max 3 ponds per Ha)
WBD2	£4 per 100m - both sides	Ditch management
WBD3	£765 per Ha	In-field grass strip on arable land
WBD4	£489 per Ha	Arable reversion to grassland with low fertiliser input
WBD5 Ⓢ	£311 per Ha	Manage intensive grassland adjacent to a watercourse (5 years) Removed for 2026
WBD6/7	£115 per Ha	Remove livestock from intensive grassland during the autumn & winter outside/inside SDAs
WBD8 Ⓢ	£396 per Ha	Manage grassland to reduce nutrient levels in groundwater Removed for 2026
WBD9	£156 per Ha	Nil fertiliser supplement Removed for 2026

ACTIONS FOR BUFFER STRIPS

CAHL4	£515 per Ha	4m-12m grass buffer strip on arable and horticultural land
CIGL3	£235 per Ha	4m-12m grass buffer strip on improved grassland
BFS1	£707 per Ha	12m-24m watercourse buffer strip on cultivated land
BFS2/3 Ⓢ	£681/£311 per Ha	10m-20m buffer strip around in-field ponds, arable land/improved grassland Removed for 2026
BFS4/5 Ⓢ	£553/£295 per Ha	Protect in-field trees on arable/intensive grassland Removed for 2026
BFS6	£742 per Ha	6m-12m habitat strip next to watercourses

ACTIONS FOR HERITAGE

HEF1/2	£5/£8 per sq m	Maintain weatherproof traditional farm/forestry buildings/in remote areas HEF2 removed for 2026
HEF5 Ⓢ	£215 per Ha	Control scrub on historic and archeological features (5 years) Removed for 2026
HEF6	£55 per Ha	Manage historic and archeological features on grassland
HEF8 Ⓢ	£2,512 per Ha	Maintain designed or engineered waterbodies (5 years) Removed for 2026

ACTIONS FOR ORGANIC FARMING

OFC1/2	£187/£96 per Ha	Organic Conversion - Improved/Unimproved permanent grassland
OFC3/4	£298/£874 per Ha	Organic Conversion - Rotational land/Horticultural land
OFC5	£1,920 per ha	Organic Conversion - Top fruit
OFM1/2	£20/£41 per Ha	Organic Management - Improved/Unimproved permanent grassland
OFM3	£97 per Ha	Organic Management - Enclosed rough grazing
OFM4/5	£132/£707 per Ha	Organic Management - Rotational land/Horticultural land
OFM6	£1,920 per Ha	Organic Management- Top fruit
OFA1	£264 per Ha	Overwinter stubble (organic land) Removed for 2026
OFA3	£935 per tonne	Supplementary winter bird food Removed for 2026
OFA6	£380 per Ha	Undersown cereal crop (organic land) Removed for 2026

COMMON LAND PAYMENT

£7.00 per Ha	If a group of 2 or more people enter SFI agreement on a common
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MANAGEMENT PAYMENT

£20.00 per Ha	Payable annually on the first 50 hectares entered into the agreement (£1,000 max). This will be doubled for the first year of the agreement Removed for 2026
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ENVIRONMENTAL LAND MANAGEMENT (ELM)

The SFI is part of ELM, which has replaced the Basic Payment Scheme (BPS). ELM has three components;

- The **Sustainable Farming Incentive (SFI)** - the 'entry-level' component of ELM, intended to be a scheme that is relatively easy to get into.
- **Countryside Stewardship Higher Tier (CSHT)** - this requires more intensive management than the SFI. Payment is made for actions that support nature recovery and deliver local environmental outcomes. - see below for more information. *CS Mid Tier will not open for new applications*

COUNTRYSIDE STEWARDSHIP HIGHER TIER

Countryside Stewardship Higher Tier (CSHT) is being kept separate from SFI as these agreements are usually more complicated and require specialist advice from Natural England (NE) or the Forestry Commission (FC). The scheme is being rolled-out gradually; currently this is by invitation only. The

ANIMAL HEALTH & WELFARE PATHWAY

Two parts to this service are now available;

- **Animal Health & Welfare Review** - visit from the keeper's own vet to review the health and welfare of the livestock. Includes testing for the endemic disease or condition of the livestock type being reviewed - BVD in dairy & beef cattle, effectiveness of worming treatments in sheep, porcine reproductive & respiratory syndrome (PRRS) in pigs.
- **Endemic Disease Follow-up** - further assessment of diseases based on the results of the review.

CAPITAL GRANTS

The SFI does not include any payments for capital items to help complete the actions. However it should be possible to access payments to support the establishment of some SFI actions and to buy equipment or other capital items from offers such as the ELM Capital Grants Scheme or the Farming Equipment & Technology Fund (FETF). The ELM Capital Grants scheme is due to open in July 2026 offering funding towards tree planting, hedgerow restoration and improving water quality. Applications will be on a 'first-come-first served' basis. The budget has been increased from £150m to £225m, with Defra providing updates on uptake when it

as it has been subsumed into the SFI.

- **Landscape Recovery (LR)** scheme - aims to get groups of landowners to work together to deliver landscape and ecosystem recovery, such as large-scale woodland planting, peatland restoration and salt marshes. It is only likely to be relevant to a small number of farms.

The ELM design will be more flexible than was seen under previous CAP schemes. Options can, and will, be amended on a yearly basis. For example, if they are seen as not offering value-for-money. Options, and payment rates, that are currently available may change as the 'offer' to farmers evolves.

offer includes 132 actions and 145 capital items (including 25 new options), plus a further 6 items to fund the preparation of plans that may be required to support an application.

As CSHT is only open by invitation, 'Mirror agreements' and 'extensions' for existing CSHT agreements and Higher Level Stewardship (HLS) agreements have been offered.

Agreements are available for 3-years to livestock keepers with a minimum of 51 pigs, 21 sheep or 11 cattle. After a vet has completed a Review, farmers can choose to have an Endemic Disease Follow-up (EDF). Payments are;

AHWR	EDF
• Pigs - £648/ visit	£1,047
• Beef - £647/ visit	£954 if review test +ve / £258 if -ve
• Sheep - £574 / visit	£658
• Dairy - £447 / visit	£1,844 if review test +ve /£258 if -ve

reaches 25%, 50% and 75% of the budget allocation

Guidance will be available nearer to opening.

The Farming Equipment & Technology Fund (FETF) opens from 17th March - 28th April 2026. It provides grants to help buy items from a set list to help *Increase Productivity, Manage Slurry and Improve Animal Health & Welfare*. Grants of between £1,000 and £25,000 up to a maximum of £75,000 are available.

There has been no announcement on availability in 2026 of the 'larger' capital grants schemes which provided funding for Slurry Infrastructure, Animal Housing, Water Management, Adding Value and Improving Productivity

For further information please visit our website

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HOW CAN ANDERSONS HELP?

The sudden closure of the SFI in March 2025 sent shock waves through the industry. Whilst the re-opening is very welcome, it is not on the same basis as before. Set budgets, capping, agreement restrictions all mean it is not the 'flexible' available all-year round scheme it once was; planning and timing is more crucial than before. At Andersons we are at the forefront of changes in policy and we also understand how real-world farming operates. If you would to discuss how SFI26 could work on your farm please contact one of our Team.