

### 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 30<sup>th</sup> 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 June 2026)

Code	Payment	Summary of Actions
<b>ACTIONS FOR SOILS</b>		
<del>CSAM1</del>	<del>£97 + £6.00 per Ha</del>	<del>Assess soil, test soil organic matter and produce a soil management plan</del> <i>Removed for 2026</i>
CSAM2	£129 per Ha	Multi-species winter cover crops
CSAM3	£224 per Ha	Herbal leys ( <i>Remains at £382 per Ha for 2023 &amp; 2024 Agreements</i> )
SOH1	£73 per Ha	No-till farming
SOH2/3	£163 per Ha	<del>Multi-species spring/summer-sown cover crops</del> <i>SOH2 removed for 2026</i>
SOH4	£204 per Ha	<del>Winter cover following maize crops</del> <i>Removed for 2026</i>
<b>ACTIONS FOR NUTRIENT MANAGEMENT</b>		
<del>CNUM1</del>	<del>£652 per year</del>	<del>Assess nutrient management and produce a review report</del> <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 per Ha for 2023 &amp; 2024 Agreements</i> )
<b>ACTIONS FOR INTEGRATED PEST MANAGEMENT (IPM)</b>		
<del>CIPM1</del>	<del>£1,129 per year</del>	<del>Assess integrated pest management (IPM) and produce an IPM plan</del> <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) (not available on maize - new for SFI26)

## SUSTAINABLE FARMING INCENTIVE 2026 (as at June 2026)

Code	Payment	Summary of Actions
<b>ACTIONS FOR PRECISION FARMING</b>		
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
<del>PRF3</del>	<del>£101 per Ha</del>	<del>Non-mechanical robotic weeding (e.g laser) on arable and horticultural land</del> <span style="color: red;">Removed for 2026</span>
PRF4	£150 per Ha	Mechanical robotic weeding on arable and horticultural land

### ACTIONS FOR FARMLAND WILDLIFE & HABITATS ON ARABLE AND HORTICULTURAL LAND

CAHL1 <sup>①</sup>	£739 per Ha	Establish and maintain blocks or strips of pollen and nectar flower mix
CAHL2 <sup>①</sup>	£648 per Ha	Establish and maintain blocks or strips of winter bird food on arable or horticultural land (Remains at £853/Ha for 2023 & 2024 Agreements)
CAHL3 <sup>①②</sup>	£590 per Ha	Establish and maintain grassy field corners or blocks
<del>AHW1<sup>①②</sup></del>	<del>£747 per Ha</del>	<del>Establish a bumblebird mix as a block or strip</del> <span style="color: red;">Removed for 2026</span>
AHW2	£732 per tonne	Supplementary winter bird food
AHW3 <sup>③</sup>	£764 per Ha	Establish an in-field beetle bank
AHW4	£11 per plot	Establish Skylark plots (min. 2 plots per Ha)
AHW5	£765 per Ha	Establish nesting plots for lapwing
AHW6	£58 per Ha	Basic overwinter stubble
AHW7 <sup>①</sup>	£589 per Ha	Enhanced overwinter stubble (must rotate in 2nd and 3rd year under SFI26)
AHW8	£596 per Ha	Whole crop spring cereals and overwintered stubbles
AHW9 <sup>①</sup>	£1,072 per Ha	Unharvested cereal headland (no more than 24m wide under SFI26)
AHW10	£354 per Ha	Low input harvested cereal crop
AHW11 <sup>①</sup>	£660 per Ha	Fallow cultivated margins or plots for arable plants
<del>AHW12<sup>①②</sup></del>	<del>£428 per Ha</del>	<del>Manage woodland edges on arable land</del> <span style="color: red;">Removed for 2026</span>

### ACTIONS FOR FARMLAND WILDLIFE & HABITATS ON GRASSLAND

CIGL1 <sup>①②</sup>	£333 per Ha	Take improved grassland field corners and blocks out of management
CIGL2 <sup>①</sup>	£515 per Ha	Maintain improved grassland to provide winter bird food
CLIG3 <sup>②③</sup>	£151 per Ha	Manage grassland with very low nutrient inputs
<del>GRH1<sup>③</sup></del>	<del>£121 per Ha</del>	<del>Manage rough grazing for birds</del> <span style="color: red;">Removed for 2026</span>
<del>GRH6</del>	<del>£646 per Ha</del>	<del>Manage priority habitat species-rich grassland (endorsed)</del> <span style="color: red;">Removed for 2026</span>
GRH7/8	£157 /187 per Ha	Haymaking supplement/Haymaking supplement late cut (apply with base action CLIG3)
GRH10	£28 per Ha	Lenient grazing supplement (apply with base action CLIG3)
<del>GRH11</del>	<del>£59 per Ha</del>	<del>Cattle grazing supplement (non-moorland)</del> <span style="color: red;">Removed for 2026</span>
SCR1/2 <sup>③</sup>	£588/350 per Ha	Create /manage scrub and open habitat mosaics
GRH12 <sup>③</sup>	£203 per Ha	Manage rough grassland for upland breeding waders <span style="color: red;">New for SFI26</span>

### ACTIONS FOR MOORLAND

<del>CMOR1<sup>①</sup></del>	<del>£272 + £10.60 per Ha</del>	<del>Assess moorland and produce a written record</del> <span style="color: red;">Removed for 2026</span>
UPL1/2/3 <sup>②③</sup>	£35/89/111 per Ha	Moderate/low/limited livestock grazing on moorland (increased from £20/53/66/Ha)
UPL4/5/6	£7/18/23 per Ha	Keep cattle & ponies on moorland supplement - Min. 30% GLU/Min. 70% GLU/100% GLU <span style="color: red;">UPL 4 removed for 2026</span> (apply with base actions UPL 1,2 or 3)
<del>UPL7<sup>③</sup></del>	<del>£33 per Ha</del>	<del>Shepherding livestock on moorland - no stock removal period</del> <span style="color: red;">Removed for 2026</span>
UPL8/9/10 <sup>②③</sup>	£74/45/102 per Ha	Shepherding livestock on moorland - remove stock for min. 4/6/8 mths <span style="color: red;">UPL9 removed 2026</span> (UPL8/10 increased from £43/£48 respectively)

### ACTIONS FOR SPECIES RECOVERY AND MANAGEMENT

SPM2/3	£92/146 per Ha	Native breeds on grazed habitats suppl't - <del>50-80%/&gt;80%</del> <span style="color: red;">SPM2 removed for 2026</span> (apply with a base action)
SPM4/5	£7/11 per Ha	Native breeds on extensively managed habitats suppl't - <del>50-80%/&gt;80%</del> <span style="color: red;">SPM4 removed for 2026</span>

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

② **Available Area:** This action must be applied on the total available area in a land parcel (at the point of application)

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 June 2026)

Code	Payment	Summary of Actions
<b>ACTIONS FOR BOUNDARY FEATURES</b>		
<del>CHRW1</del> Ⓢ	<del>£5 per 100m - 1 side</del>	<del>Assess and record hedgerow condition</del> <i>Removed for 2026</i>
CHRW2	£13 per 100m - 1 side	Manage hedgerows so there's a range of different heights and widths
<del>CHRW3</del> Ⓢ	<del>£10 per 100m - both sides</del>	<del>Maintain existing hedgerow trees, or establish new ones, so there's an average of at least 1 hedgerow tree per 100m</del> <i>Removed for 2026</i>
BND1	£27 per 100m - both sides	Maintain dry stone walls
BND2	£11 per 100m - 1 side	Maintain earth banks or stone-faced hedgebanks
<b>ACTIONS FOR AGROFORESTRY</b>		
AGF1/2	£248/£385 per Ha	Maintain v low/low density in-field agroforestry on less sensitive land
<b>ACTIONS FOR WATERBODIES</b>		
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
<del>WBD5</del> Ⓢ	<del>£311 per Ha</del>	<del>Manage intensive grassland adjacent to a watercourse (5 years)</del> <i>Removed for 2026</i>
WBD6/7	£115 per Ha	Remove livestock from intensive grassland during the autumn & winter outside/inside SDAs
<del>WBD8</del> Ⓢ	<del>£396 per Ha</del>	<del>Manage grassland to reduce nutrient levels in groundwater</del> <i>Removed for 2026</i>
<del>WBD9</del>	<del>£156 per Ha</del>	<del>Nil fertiliser supplement</del> <i>Removed for 2026</i>
<b>ACTIONS FOR BUFFER STRIPS</b>		
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
<del>BFS2/3</del> Ⓢ	<del>£681/£311 per Ha</del>	<del>10m-20m buffer strip around in-field ponds, arable land/improved grassland</del> <i>Removed for 2026</i>
<del>BFS4/5</del> Ⓢ	<del>£553/£295 per Ha</del>	<del>Protect in-field trees on arable/intensive grassland</del> <i>Removed for 2026</i>
BFS6	£742 per Ha	6m-12m habitat strip next to watercourses
<b>ACTIONS FOR HERITAGE</b>		
HEF1/2	£5/£8 per sq m	Maintain weatherproof traditional farm/forestry buildings/in remote areas <i>HEF2 removed for 2026</i>
<del>HEF5</del> Ⓢ	<del>£215 per Ha</del>	<del>Control scrub on historic and archeological features (5 years)</del> <i>Removed for 2026</i>
HEF6	£55 per Ha	Manage historic and archeological features on grassland
<del>HEF8</del> Ⓢ	<del>£2,512 per Ha</del>	<del>Maintain designed or engineered waterbodies (5 years)</del> <i>Removed for 2026</i>
<b>ACTIONS FOR ORGANIC FARMING</b>		
OFC1/2	£187/£96 per Ha	Organic Conversion - Improved/Unimproved permanent grassland (max. 2-years)
OFC3/4	£298/£874 per Ha	Organic Conversion - Rotational land/Horticultural land (max. 2-years)
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
<del>OFA1</del>	<del>£264 per Ha</del>	<del>Overwinter stubble (organic land)</del> <i>Removed for 2026</i>
<del>OFA3</del>	<del>£935 per tonne</del>	<del>Supplementary winter bird food</del> <i>Removed for 2026</i>
<del>OFA6</del>	<del>£380 per Ha</del>	<del>Undersown cereal crop (organic land)</del> <i>Removed for 2026</i>
<b>COMMON LAND PAYMENT</b>		
£7.00 per Ha		If a group of 2 or more people enter SFI agreement on a common
<b>MANAGEMENT PAYMENT</b>		
<del>£20.00 per Ha</del>		<del>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</del> <i>Removed for 2026</i>

## 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. Actions can, and will, be amended on a yearly basis. For example, if they are seen as not offering value-for-money. Actions, 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. Full guidance is available.

The Farming Equipment & Technology Fund (FETF) opened earlier in the year. It is now closed. Applicants are waiting to see if they have been successful. It provides grants to buy items from a set list to *Increase Productivity, Manage Slurry and Improve Animal Health & Welfare*. Grants of between £1,000 & £25,000 up to a max. 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.

## 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.

*For further information please visit our website*

[www.theandersonscentre.co.uk](http://www.theandersonscentre.co.uk)

Or contact a member of the team:

01664 503200

[agrischemes@theandersonscentre.co.uk](mailto:agrischemes@theandersonscentre.co.uk)

3rd Floor

The Tower

Pera Business Park

Melton Mowbray

LE13 0PB