



Department
for Environment
Food & Rural Affairs

The Agricultural Transition Period 2021 to 2024

Adviser Pack: Information and resources about the
upcoming changes to English agricultural policy

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We are the Department for Environment, Food and Rural Affairs. We're responsible for improving and protecting the environment, growing the green economy and supporting our world-class food, farming and fishing industries.

We work closely with our 33 agencies and arm's length bodies on our ambition to make our air purer, our water cleaner, our land greener and our food more sustainable. Our mission is to restore and enhance the environment for the next generation, and to leave the environment in a better state than we found it.



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www.gov.uk/defra

For more information on the changes over the agricultural transition period, please read [*The Path to Sustainable Farming: An Agricultural Transition Plan 2021 to 2024*](#)

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For more information on the changes over the agricultural transition period, please read [*The Path to Sustainable Farming: An Agricultural Transition Plan 2021 to 2024*](#)

How to use this pack

This pack provides a summary of the important changes taking place over the agricultural transition. More detail can be found in [*The Path to Sustainable Farming: An Agricultural Transition Plan 2021 to 2024*](#).

We would like you to familiarise yourself with the information in this pack, so you can confidently advise farmers and land managers about the future of farming.

With your help, we can ensure that all of those involved in English agriculture and land management are aware of the agricultural transition period and prepared for the upcoming changes that affect them.

Alongside this pack, we have published a booklet called [*Farming is Changing*](#). It summarises the content of the plan, and is aimed at farmers and land managers.

Please feel free to share the booklet with whomever you think would be interested.

For more information on the changes over the agricultural transition period, please read [*The Path to Sustainable Farming: An Agricultural Transition Plan 2021 to 2024*](#)

Introduction

Now we've left the EU, we have a once in a generation opportunity to shape English agricultural policy to suit our needs, wants and priorities.

By 2028, we want to see:

- a renewed agricultural sector, producing healthy food for consumption at home and abroad, where farms can be profitable and economically sustainable without subsidy.
- farming and the countryside contributing significantly to environmental goals including addressing climate change.

Direct Payments offer poor value for money, reward those with most land, inflate rents and stand in the way of new entrants.

As such, Defra will be phasing out Direct Payments starting in 2021. Using the money that's freed up, we will introduce a new system that rewards farmers and other land managers for delivering public goods that improve the environment.

Defra will make changes to cross compliance, moving away from defaulting to financial penalties and using proportionate measures and will make further simplifications to the 2021 Basic Payment Scheme.

Defra will provide grants to farmers, foresters and growers so that they can invest in equipment, technology and infrastructure that will help their businesses to prosper while improving their productivity and enhancing the environment.

Defra will collaborate with stakeholders to develop a new regulatory system. We will introduce a regulatory system that effectively addresses breaches but is also adaptable and proportionate.

These changes will be made over a seven-year transition period, to give farmers time to adapt and plan for the future. Defra will continue to run a number of familiar schemes in the first few years of the transition. This means farmers and land managers can plan and prepare for the future while continuing to receive income for the great work they're doing.

Wherever we can, we will co-design our policy and schemes in partnership with the agricultural sector, engaging at every step of the way to design our services based on the needs of the people using them. This will make sure our policies and services work for those people who are affected by them.

For more information on the changes over the agricultural transition period, please read [*The Path to Sustainable Farming: An Agricultural Transition Plan 2021 to 2024*](#)

Timeline and eligibility of new schemes

These are our expected dates, but they are subject to change.

Environmental and animal outcomes

Scheme	Arable	Livestock	Foresters/ woodland managers	Growers	Further info	Applications open	Start	End
New Countryside Stewardship agreements and Capital Grants	Y	Y	Y	Y	Feb – March 2021	Feb – March 2021	Each year usually from Feb / March	2023 scheme year for 2024 starts
Forestry Commission Incentives	Y	Y	Y	Y		All year	2020	TBC
Farmers in Protected Landscapes	Y	Y	Y	Y	Feb 2021		April 2021	2024
Tree Health Pilot	Y	Y	Y	Y	Apr 2021	Aug 2021	Oct 2021	2024
Tree Health Scheme	Y	Y	Y	Y	2024	2024	2024	N/A
Animal Health and Welfare Pathway Funding		Y			2021	2022	2022	TBC

Environmental Land Management

Scheme	Further info	Applications open	Start	End
Tests and trials	Quarterly reports	Ongoing	2018	2024 and beyond

For more information on the changes over the agricultural transition period, please read [The Path to Sustainable Farming: An Agricultural Transition Plan 2021 to 2024](#)

National Pilot – Sustainable Farming Incentive (SFI)	Spring 2021			
SFI 2022	Spring/summer 2021	2021/22	2022	2024
SFI	2021	2024	2024	N/A
National Pilot – Local Nature Recovery	Summer 2021		2022	2024
Local Nature Recovery	2021		2024	N/A
National Pilot – Landscape Recovery	Summer 2021		2022	2024 (agreements will last beyond this date)
Landscape Recovery	2021		2024	N/A

Please see the Environmental Land Management section of the booklet for more information on eligibility.

Improving farming prosperity

Scheme	Arable	Livestock	Foresters/ woodland managers	Growers	Further info	Applications open	Start	End
Farm Resilience Scheme (phase 2)	Y	Y	Y	Y	Mar 2021	June 2021	May 2021	Oct 2024
Farming Investment Fund – Equipment & Technology, and Transformation	Y	Y	Y	Y	Apr 2021	Dec 2021	Dec 2021	2026
Innovation Research & Development Scheme	Y	Y	Y	Y	Oct 2021	2022	2022	2028

For more information on the changes over the agricultural transition period, please read [The Path to Sustainable Farming: An Agricultural Transition Plan 2021 to 2024](#)

Slurry Investment Scheme					2022	2022	Autumn 2022	2025
New Entrant Support Scheme					Nov 2021	2022	2022	2024

Slurry Investment Scheme – initial focus for eligibility will be on those locations where environmental impact will be greatest and at viable businesses seeking to invest in improved slurry storage.

New Entrant Support Scheme – Defra will design the scheme, including eligibility, in partnership with stakeholders.

Direct Payments, lump sum and delinking

Scheme	Further info	Applications open	Start	End
Lump Sum Exit Scheme (subject to consultation)	July 2021	2022	2022	TBC
Delinked payments	2024	2024	2024	2027

To be eligible, it may be necessary to have claimed, and been eligible, under the Basic Payment Scheme in a particular scheme year or years.

Key changes for 2021

Important changes include:

- a reduction in Basic Payment Scheme (BPS) payments
- the removal of greening rules
- additional support through schemes and grants (funded through the BPS reductions) to help farmers invest in environmental and productivity improvements
- enhancements to existing schemes

For more information on the changes over the agricultural transition period, please read [The Path to Sustainable Farming: An Agricultural Transition Plan 2021 to 2024](#)

- improvements to cross compliance
- begin a National Pilot of Environmental Land Management for up to 5,500 farmers who want to be involved helping us to learn and co-design the full ambition for our new schemes
- support to build resilience during the early years of the transition

Background information

- 'The future for food, farming and the environment: policy statement' (February 2020)
- Environmental Land Management policy discussion document (February 2020)
- 'Health and Harmony: the future for food, farming and the environment in a Green Brexit - policy statement' (September 2018)

Stay up to date

- Sign up to [Defra e-alerts](#) for the latest information on farming
- Read the new Future Farming and Countryside Programme GOV.UK blog

Feedback

If you have any feedback on this pack or would like to ask us a question, please email ffcpengagement@defra.gov.uk.

For more information on the changes over the agricultural transition period, please read [*The Path to Sustainable Farming: An Agricultural Transition Plan 2021 to 2024*](#)

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For more information on the changes over the agricultural transition period, please read [*The Path to Sustainable Farming: An Agricultural Transition Plan 2021 to 2024*](#)

General questions

What is the Agricultural Transition?

The agricultural transition period will start on 1 January 2021 and run to the end of 2027. Between 2021 and 2027, the government will gradually phase out Direct Payments and introduce a new system based on the principle of public money for public goods.

We will pay farmers¹ to improve the environment, improve animal health and welfare and reduce carbon emissions.

There will be three levels of support aimed at paying for sustainable farming practices, creating habitats for nature recovery and making landscape-scale change such as establishing new woodland and other ecosystem services. Some options will be universally open to all farmers and land managers, while others will be more targeted at a smaller number of large projects.

There will also be significant grants made available to support farmers to reduce their costs and improve their profitability, to help those who want to retire or leave the industry, and to create new opportunities and support for new entrants coming into the industry.

What are the specific outcomes we are hoping to achieve?

We aim to design and administer schemes in a way that:

- will support farming and the countryside to make a significant and widespread contribution to environmental, biodiversity and climate change goals including by reducing greenhouse gas emissions
- is trusted by the sector
- attracts wide participation – we want to increase participation rates in environmental land management schemes from the current 30% to more than 70% of farmers by the end of the transition, with even higher participation in the Sustainable Farming Incentive
- supports a sustainable and vibrant sector

For more information on the changes over the agricultural transition period, please read [*The Path to Sustainable Farming: An Agricultural Transition Plan 2021 to 2024*](#)

We are developing smart objectives for Environmental Land Management, which we will publish in due course and then keep under review throughout the transition.

We will publish an annual report about our progress through the transition, what we are aiming to achieve and how we are performing against our aims.

How long will the Agricultural Transition Period be?

The agricultural transition period will start on 1 January 2021 and run to the end of 2027.

Why do you talk about just farmers in the Agricultural Transition Plan?

For the purpose of that document, 'farmers' refers to farmers, land managers, growers and foresters unless specified otherwise.

What will happen over the Agricultural Transition Period?

- The government will gradually phase out Direct Payments and existing agri-environment schemes in a gradual, smooth and orderly way, starting in 2021, with the last Direct Payments being made in 2027
- Introduce our Environmental Land Management approach to agri-environment schemes, through pilots and tests from 2021-2024; early roll out of some core elements of all components², particularly the Sustainable Farming Incentive, from 2022; with all three components fully available from 2024.
- Establish an Animal Health and Welfare Pathway
- Provide grant support to help farmers maintain and improve productivity, invest in research and development and sustainability through the transition
- Replace EU-scheme-based regulation and enforcement with a new, more effective and trusted approach
- Provide advice and guidance to farmers to help them make the right decisions for their circumstances

² We refer to components, when previously we have said tiers

For more information on the changes over the agricultural transition period, please read [*The Path to Sustainable Farming: An Agricultural Transition Plan 2021 to 2024*](#)

- Help people through the transition, including with business planning, training and advice; and an exit scheme for farmers, so those who wish to leave the sector can do so

How will you guarantee that we can maintain food standards while taking advantage of the opportunity to strike new trade deals?

The government wants consumers to continue to have a wide range of choice of high-quality food products at affordable prices, and to ensure that we have a sufficiently and appropriately skilled workforce able to meet the demands of the industry.

At the same time, to be clear, it is our priority to maintain the UK's high standards of food safety and animal health and welfare. As part of any future trade deals, we will not water down our standards on food safety, animal health and welfare and environmental protection.

The Withdrawal Act will transfer onto the UK statute book all EU food safety and animal welfare standards. Our current high standards, including import requirements, will apply when we leave the EU.

The government is proud of our high standards and maintaining safety and public confidence in the food we eat is of the highest priority and any future trade deal must work for UK farmers, businesses, and consumers.

The government has set up a Trade and Agriculture Commission, which is an advisory board set up to advise and inform our agricultural trade policies. The government is now extending the Trade and Agriculture Commission for up to three years, when it will be reviewed. It will be put on a statutory footing in the Trade Bill. Further details on updated remit and membership are being developed by departments.

The Agriculture Act requires Ministers to report to Parliament on the impact of UK trade agreements on maintaining our existing food, animal welfare and environmental standards. The Commission will be able to feed directly into this statutory reporting process.

This is part of the government's ambition to place farmers at the heart of its trade policy and will allow Parliamentarians access to independent and expert advice when reviewing the impact of each trade deal on farming.

For more information on the changes over the agricultural transition period, please read [*The Path to Sustainable Farming: An Agricultural Transition Plan 2021 to 2024*](#)

What do the changes mean for farmers and land managers?

By 2028, farmers and land managers will:

- run environmentally sustainable businesses that don't need to rely on public subsidy
- manage their business in a way that delivers profitable food production and the recovery of nature
- be able to get access to public money to help them deliver environmental, animal welfare and climate change outcomes
- meet clear, relevant and outcome-focused legal standards
- work more with each other to improve the environment and their productivity
- manage the inherent risks of producing food, such as the weather and market volatility, while knowing that government has the powers in law to intervene in truly exceptional market conditions.

What the schemes will pay for:

Name	Summary	Payments
Sustainable Farming Incentive	Will pay for actions to manage land in an environmentally sustainable way. Actions will be grouped into simple packages to make it as easy as possible for farmers to identify what actions are best suited to their land.	<ul style="list-style-type: none">• To be determined
Local Nature Recovery	Will pay for actions that support local nature recovery and deliver local environmental priorities	<ul style="list-style-type: none">• To be determined
Landscape Recovery	Will support the delivery of landscape and ecosystem recovery through long-term, land use change projects	<ul style="list-style-type: none">• To be determined

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Tree health	Will expand and improve on the current support available via the Countryside Stewardship (CS) Tree Health grants	<ul style="list-style-type: none"> • Felling and treatment of diseased trees • Restocking following felling
Farming in Protected Landscapes	Will help farmers in Protected Landscapes diversify their income streams and lay the groundwork for Environmental Land Management	<p>Spend each year will be split between two areas:</p> <ul style="list-style-type: none"> • Farm-level support • Wider infrastructure and projects
Slurry investment Scheme	Will help farmers to invest in new slurry stores that exceed current regulatory requirements and are proofed against higher standards that we expect to introduce in the future	<p>We propose that funding would be given to:</p> <ul style="list-style-type: none"> • meet a proportion of one-off capital cost of new stores and impermeable covers • pay for a proportion of other associated equipment (pumps, pipework, access, reception tanks etc.) <p>It will not include funding future maintenance or planning costs</p>
Farming Investment Fund	Will incentivise and support the purchase of equipment, technology and infrastructure to support environmentally sustainable farming and land management	<p>Competitive scheme. Will be split into two strands for low and high-value investments, each with a different application process</p> <p>Grants will be available for a proportion of the total cost of investment</p>
New Entrants	Will provide funding to create lasting opportunities for new entrants to access land, infrastructure and support	We will provide funding to enable the creation of more start-up innovation hubs

For more information on the changes over the agricultural transition period, please read [The Path to Sustainable Farming: An Agricultural Transition Plan 2021 to 2024](#)

Support Scheme	to establish successful and innovative businesses working with Council Farms and other landowners.	providing new entrants access to the land, infrastructure and support they need to thrive
Animal Health and Welfare Pathway	Will support farmers in producing healthier, higher-welfare animals by providing financial assistance, strengthening the baseline of regulation and improving consumer transparency	In 2022 - we are considering offering capital grants and financial support for vet visits for health and welfare management planning and diagnostic testing In 2023 - there are plans to introduce further support for endemic disease control and for phasing in payments-by-results
Farm Resilience	This will be a time limited scheme operating during the first three years of the transition, up until 2024. It will target support at individuals and businesses most affected by the removal of Direct Payments	The scheme will provide funding so farmers can access specialist, trusted support It will focus on helping farmers to make the right decisions for them. The scheme will signpost the wider support available to farmers, including wellbeing

The Basic Payment Scheme (BPS) and Direct Payments

What changes are happening to the Basic Payment Scheme (BPS)?

From 2021, reductions will come into effect. *[see green table below under 'what will be my Direct Payment reductions?']*.

For more information on the changes over the agricultural transition period, please read [*The Path to Sustainable Farming: An Agricultural Transition Plan 2021 to 2024*](#)

We will initially make larger reductions from those who receive the largest amounts. We think this is the fairest way and the best way to help people manage the transition in a sustainable way for their businesses.

Simplifications to BPS

Further simplifications to the Basic Payment Scheme include:

- the removal of greening rules
- removing the requirement for farmers to use all their payment entitlements at least once every two years
- removing the requirement for farm businesses with land in England and another UK nation to have all their land treated as one 'holding' for the purposes of the BPS
- extending the application period for force majeure applications to 8 weeks

What will be my Direct Payment reductions?

Payment Band	2021 scheme year	2022 scheme year	2023 scheme year	2024 scheme year
£30,000	5%	20%	35%	50%
£30,000 to £50,000	10%	25%	40%	55%
£50,000 to £150,000	20%	35%	50%	65%
£150,000	25%	40%	55%	70%

For example, for the 2021 scheme year, for a claim worth £40,000:

1. A 5% reduction would be applied to the first £30,000 (a reduction of £1,500)
2. Plus a 10% reduction would be applied to the next £10,000 (a reduction of £1,000)
3. So, the revised payment would be reduced by £2,500 to £37,500

For more information on the changes over the agricultural transition period, please read [The Path to Sustainable Farming: An Agricultural Transition Plan 2021 to 2024](#)

The following table shows the payment value, after progressive reductions, for the 2021-2024 scheme years.

Payment value before progressive reductions	New value for 2021 scheme year	New value for 2022 scheme year	New value for 2023 scheme year	New value for 2024 scheme year
£5,000	£4,750	£4,000	£3,250	£2,500
£10,000	£9,500	£8,000	£6,500	£5,000
£20,000	£19,000	£16,000	£13,000	£10,000
£40,000	£37,500	£31,500	£25,500	£19,500
£80,000	£70,500	£58,500	£46,500	£34,500
£160,000	£134,000	£110,000	£86,000	£62,000

The reduction percentages will be increased until the final payments are made for the 2027 scheme year. No BPS payments or delinked payments will be made after the 2027 scheme year.

What is happening with delinked payments?

BPS will be replaced with 'delinked' payments. When payments are delinked, you won't have to farm the land to receive the payments, until they have been phased out.

A farmer may get delinked payments even if they choose to stop farming altogether. Those who continue farming will still have to comply with standards on the environment, plant health, and animal welfare.

Eligibility for delinked payments will be based on a reference period.

For example, it may be necessary to have claimed, and been eligible, under BPS in a particular scheme year or years.

We'll consult farmers and land managers in early 2021 before setting the reference period and deciding when to introduce delinked payments.

We intend to delink payments in 2024.

For more information on the changes over the agricultural transition period, please read [*The Path to Sustainable Farming: An Agricultural Transition Plan 2021 to 2024*](#)

What will happen to cross-compliance/standards when you delink payments?

Cross compliance requirements and standards will continue until we delink. After that we will move to a new regulatory regime, which we'll be developing between 2021 and 2024.

Changes to cross-compliance on 2021

From 2021 a series of changes to compliance will be introduced. These include:

- Timely notifications ahead of penalties
- A new approach to inspections. Inspections will be targeted to those who are at higher risk or operate in high risk areas. More information will be provided before an inspection and reports will be issued promptly.
- Further guidance will be introduced to make sure farmers are aware of their obligations. The Farm Advisory Service will continue and there will be review of cross-compliance guidance

What is the lump sum exit scheme?

Farmers could be offered a lump sum in place of any further BPS and delinked payments to which they would have been entitled.

We're planning to offer the optional lump sum payments in 2022 for those who wish to leave the industry.

We will set the rules for lump sum payments following consultation with farmers.

Countryside stewardship and other existing schemes

What will happen to my Countryside Stewardship (CS) agreement?

- Extensions to Countryside Stewardship (CS) and Environmental Stewardship (ES) will be available for those who already have an agreement which is achieving positive environmental outcomes, and who wish to continue their agreement

For more information on the changes over the agricultural transition period, please read [*The Path to Sustainable Farming: An Agricultural Transition Plan 2021 to 2024*](#)

- Anyone in a CS agreement that starts from January 2021 who secures a place in Environmental Land Management will be able to withdraw without penalty at agreed exit points
- Applications can be made for the simplified CS scheme until 2023, for agreements starting in 2024. After 2023, applications will be through the Environmental Land Management scheme

What will change to Countryside Stewardship (CS) in 2021?

- We'll continue to make the scheme work better for people, including improving the way we do inspections and compliance.
- Anyone in a CS agreement that starts from January 2021 who secures a place in Environmental Land Management will be able to withdraw without penalty at agreed exit points

We intend to introduce further changes to support continued delivery of our 25 Year Environment Plan goals. These include plans to:

- expand educational access provision to farmers and land managers in Mid-Tier agreements to let school pupils visit farms for educational experiences and for care farming visits
- broaden the advice we provide as part of the Catchment Sensitive Farming scheme so that it includes advice on air quality and flood mitigation, as well as on diffuse water pollution
- widen the scope of some of our current capital grants to cover air quality and introduce two new capital options specifically to address air quality issues
- increase the maximum level of funding available under capital only grants to £20,000 for hedgerow and boundary and water quality improvements. We will also be expanding the range of capital grants available in the standalone capital only offer to better complement the wildlife offers
- expand the eligibility of the upland option 'Management of rough grazing for birds' to allow it to be available in wider areas
- bring woodland creation and woodland maintenance options together so that one automatically flows into the other
- look to run a further round of the Facilitation Fund to help groups of farmers and other land managers work together to improve the natural environment at a landscape scale and achieve greater improvements than individual holdings could on their own

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What does a Countryside Stewardship (CS) agreement offer?

Name	Length of agreement	What it covers
Higher Tier	5, 10-year (and in some cases 20-year) agreements	Full range of options, supplements and capital items for environmentally significant sites, commons and woodlands Largely focused on expiring HLS agreements that require re-negotiation and new capital works, and on woodland management
Mid-Tier	5 years	Provides a mixture of revenue payment options, supplements and capital items to achieve simple and effective environmental benefits
Wildlife offers	5 year revenue only agreements	Lowland farming, mixed, upland and arable. Quick and simple to apply for. They are not scored, meaning that you will get an agreement if you make a valid application
Capital grants	2 year capital only agreements	Capital items to deliver specific environmental outcomes, including hedgerows and boundary improvements, delivery of water and air quality objectives and planning for more complex Higher Tier agreements Also includes woodland creation grants, woodland tree health grants and the development of woodland management plans

Am I eligible for a Countryside Stewardship (CS) agreement?

Each scheme has eligibility rules, and these apply to both the land and the farmer. Nearly all farmers and land managers will be eligible to apply for one or more CS offer.

Name	Type of agreement	What it covers / how to apply
Higher Tier	Competitive	Focussed on the highest quality environmental sites Not every applicant who meets the minimum criteria will be offered an agreement The scheme funds restoration and management of habitats and offers capital and revenue payments supported by dedicated advisory support

For more information on the changes over the agricultural transition period, please read [The Path to Sustainable Farming: An Agricultural Transition Plan 2021 to 2024](#)

Mid-Tier	Competitive	Offers capital and revenue payments Farmers should be able to apply themselves or use a local adviser who understands the scheme and environmental issues
Wildlife offers	Not competitive, revenue only agreements	Farmers choose the amount of area they want to put into the scheme and are provided with an agreement
Capital grants	Competitive	Cover specific areas, such as hedgerow and boundary improvements, and water and air quality objectives

Farmers and land managers might want to consider the combination of a Wildlife offer and standalone capital grants.

We will provide more information when the next round of the scheme launches in 2021. More details [here](#).

What is the timing for the Countryside Stewardship (CS) agreements?

We will open a round of CS offers in early 2021 for agreements.

Thereafter, we intend to continue to offer CS during the next 2-3 years with the last agreements starting in 2024. Where appropriate, we are extending Higher Level Stewardship and CS agreements annually in 2022 and are looking at how best to extend these further over the agricultural transition period.

What environmental schemes other than Countryside Stewardship (CS) are available?

- From 2021 to 2024, a range of schemes will be introduced to help land managers and farmers manage their land sustainably and prepare to take part in Environmental Land Management from 2024 onwards
- Extensions to Countryside Stewardship (CS) and Environmental Stewardship (ES) will be available for those who already have an agreement which is achieving positive environmental outcomes, and who wish to continue their agreement

For more information on the changes over the agricultural transition period, please read [*The Path to Sustainable Farming: An Agricultural Transition Plan 2021 to 2024*](#)

- New CS agreements will be available until 2023 for those land managers who want to undertake a wider range of more ambitious environmental activities and receive capital payments
- The Environmental Land Management National Pilot will be available for up to 5,500 farmers and land managers who want to be involved helping us to learn and co-design the full Environmental Land Management ambition. Expressions of Interest will be collated in early 2021. The pilot will commence in late 2021
- Core elements of our Sustainable Farming Incentive, one of the components parts of our Environmental Land Management offer, will be available to a wide range of farmers and land managers from 2022 onwards

Funding will increase for delivery of environmental and climate actions in each year of the early transition, using funding released from Direct Payment reductions as we move towards roll out of Environmental Land Management.

What happens to RDPE agreements?

The agreements signed under the Rural Development Programme for England will be honoured. This includes grants under Countryside Productivity, Rural Growth, Leader Schemes, and the Agri-environment and Woodland agreements.

Environmental Land Management

What is Environmental Land Management?

This is the new way for government to pay farmers and land managers public money to produce public goods.

We will pay farmers and land managers for delivering land management actions that contribute to:

- clean and plentiful water
- clean air
- protection from and mitigation of environmental hazards
- mitigation of and adaptation to climate change
- thriving plants and wildlife
- beauty, heritage and engagement

For more information on the changes over the agricultural transition period, please read [*The Path to Sustainable Farming: An Agricultural Transition Plan 2021 to 2024*](#)

When will Environmental Land Management start?

Core elements of the Sustainable Farming Incentive (SFI) will be available from 2022, known as early SFI. We plan to introduce all three component parts of Environmental Land Management in full from October 2024 onwards.

How will Environmental Land Management work?

Environmental Land Management is intended to support farmers to make a greater contribution to the environment and biodiversity and to tackle climate change.

Environmental Land Management will introduce a new contract-based approach to paying for public goods, with:

- more choice and control for farmers and land managers
- a greater focus on outcomes and the main practices and interventions that support them, and less prescription than was required under EU schemes
- a fairer, more supportive and effective approach to compliance

What will Environmental Land Management pay for?

Environmental Land Management will be made up of three component parts, which taken together will achieve the outcomes we're aiming for:

Name	Details	Who can apply
Sustainable Farming Incentive (SFI)	Will pay for actions that all farmers can do which will help them manage their land in an environmentally sustainable way	Available to a wide range of farmers
Local Nature and Recovery	Will pay land managers for actions that support local nature recovery and deliver local environmental priorities; making sure the right things are delivered in the right places	Open to farmers and other land managers
Landscape Recovery	Will support the delivery of landscape and ecosystem recovery through long-term, land use change projects, including rewilding in places where that's appropriate	Open to farmers and other land managers

For more information on the changes over the agricultural transition period, please read [*The Path to Sustainable Farming: An Agricultural Transition Plan 2021 to 2024*](#)

Farmers and land managers will have flexibility to decide what they want to deliver and can be involved in more than one component of Environmental Land Management. We will provide guidance and advice from trusted sources to help people plan.

We haven't decided exactly how much we will pay, or how we will determine the price – we will do this through our national pilot and tests and trials, and through co-design with farmers, land managers and stakeholders.

We will publish detailed information early in 2021 about what we will pay for in the Sustainable Farming Incentive national pilot, but this will remain under review through the pilot and our ongoing research and engagement before we finalise payment methods and rates for 2022 onwards.

How do I get involved with Environmental Land Management?

From 2021 to 2024, we will provide a range of options to help farmers and land managers manage their land sustainably and prepare to take part in our new schemes from 2024 onwards.

- Countryside Stewardship agreements will best prepare farmers and land managers for the transition to Environmental Land Management as activity will facilitate a smooth transition to the Sustainable Farming Incentive component
- The Environmental Land Management National Pilot will be available for up to 5,500 farmers and land managers who want to be involved helping us to learn and co-design the full ambition
- Early elements of the Sustainable Farming Incentive (SFI) will be available to all farmers and land managers from 2022 onwards. This is known as early SFI

What is the Sustainable Farming Incentive?

- The Sustainable Farming Incentive (SFI) is one of the three components of our Environmental Land Management offer
- In 2022 we will roll out of some core elements of the SFI. In its early years the scheme will focus on supporting and maintaining environmentally sustainable farming improvements that most farmers can make, e.g. soil and livestock management, pesticide use and fertiliser use

For more information on the changes over the agricultural transition period, please read [*The Path to Sustainable Farming: An Agricultural Transition Plan 2021 to 2024*](#)

- Bringing forward the launch of the SFI will help more farmers start making environmental, climate change and business sustainability improvements
- The aim is to make the SFI attractive and accessible to a wide range of farmers, to help them maintain or introduce sustainable practices as a foundation for more advanced improvements available through other components of Environmental Land Management
- We know farmers need early information about this. We will publish details of the scheme, what it will pay for and how to get involved by June 2021
- We plan to introduce all three component parts of Environmental Land Management in full from October 2024 onwards

Am I eligible for the Sustainable Farming Incentive?

- In 2022 the SFI will be open to all Basic Payment Scheme recipients, including those with existing environmental scheme agreements
- Farmers with existing environmental agreements will be able to apply for SFI alongside their other agreements but will not be able to be paid for the same action twice through different schemes

What are the timings for the Sustainable Farming Incentive?

- Early elements of the SFI will be rolled out in 2022, known as early SFI. The scheme will launch in full in 2024

What are the Environmental Land Management tests and trials?

- We are developing Environmental Land Management in partnership with farmers, land managers and other partners
- We are doing this through a series of tests and trials which is already underway and through a National Pilot which will start in 2021
- There are around 70 tests and trials underway involving 3,000 people
- Tests and trials are designed to look at potential component parts of Environmental Land Management (e.g. how best to construct land management plans, how best to use advisers)
- The National Pilot will test how these components operate together in the context of a fully functioning pilot version of Environmental Land Management

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- We will be starting some new tests and trials in 2021 and will publish information early next year about how to take part

What is the National Pilot?

- The National Pilot will enable us to test and develop the real-world operation of Environmental Land Management
- The learning from the pilot will be fed directly into the Environmental Land Management scheme design and implementation planning for the roll-out of the full scheme from 2024
- We will be publishing more information about the pilots and inviting expressions of interest for the first round of pilots early in 2021

Am I eligible to take part in the National Pilot?

- Participants will be drawn from all parts of farming and land management
- We will also take account of other considerations, such as size of holding, tenure, geography, level of digital access, and experience of farming/agri-environment schemes
- We will publish more information about the pilots and invite expressions of interest for the first round of pilots early in 2021

Do you get paid for taking part in the National Pilot?

Participants will be paid a competitive rate for taking part in the pilot. Payments will cover the cost of delivering land management actions, and time spent actively contributing to pilot learning.

Details are still to be confirmed and will be made available before we seek expressions of interest for participation in the Pilot.

How do I apply for the National Pilot?

More information will be published and an expression of interest will commence in 2021. Places in the Pilot will be limited.

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We will share details of eligibility and how to get involved when we launch the pilot in 2021. Our current plan is:

- that recruitment will be staggered in three phases, to allow improvements
- involve over 1000 farmers in phase 1 of the Pilot, scaling up to around 5,500 farmers and land managers in total by the end of phase 3

Participants will enter into pilot agreements which will last until the pilot ends. So, those who join early would be in the pilot longer than people who join later, and they'd all finish together when the pilot ends in late 2024. We expect that participants will apply to transfer to the full scheme once available, but that will be participants' choice.

How does the National Pilot relate to the rollout of the SFI in 2021?

Defra will launch two major initiatives as precursors to the full 2024 version of the Sustainable Farming Incentive (SFI).

The SFI Pilot (part of the National Pilot) will be launched in late 2021 to engage many hundreds of farmers in deep testing of ideas and approaches ahead of the full launch of SFI 2024. This will include testing new ideas such as land management plans, and working out what advice and support is required to help farmers to decide what type and level of agreement they want to enter into.

Meanwhile SFI 2022 will be a fully functioning early version of the scheme, open to all the c.88000 farmers who receive BPS, offering payment to undertake a subset of the environmentally beneficial actions that will make up the full SFI in 2024. This will include early rollout of the elements of SFI that we have already tested or are otherwise confident in, and will be based on a self-service model, to help us understand and improve the way we can make it possible for people to enter into agreements without requiring specialist advice or support. We will continue to develop and expand early SFI between 2022 and 2024, including reflecting the findings of our pilot, until it includes all the elements of the full scheme from 2024 onwards.

Once launched, the SFI pilot and SFI 2022 will run in parallel and both will inform development of the full 2024 scheme.

What would you say to a farmer or land manager putting off planting trees until Environmental Land Management is launched?

- In the longer-term the establishment of trees will be an important pillar of Environmental Land Management.

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- We are working hard to ensure the support E.L.M. offers aligns with that under Countryside Stewardship and the grants for woodland creation provided under the Nature for Climate Fund, so there is a consistent offer. This will provide certainty to those considering tree planting - there is no time like the present, economically as well as environmentally, to establish trees.
- With E.L.M. in development, now is as good a time as any to take-up existing offers of grant support for tree planting and woodland establishment.
- Anyone signing up to a grant agreement to plant woodland now will not be unfairly disadvantaged when E.L.M. is introduced.

How will this all work for uplands / lowlands / livestock / organic / rare and native breeds / dairy / arable / pigs / tenants / contractors / small farms in the south west?

We know that we need to make sure that the schemes and initiatives we design and deliver work for the full range of types and locations of farm. We're working closely with farmers and experts from the range of sectors and farm types to help us to do this.

Over 3,000 farmers with a wide range of farm and land types are helping to co-design the new Environmental Land Management scheme through tests and trials. Over the course of the 3 year national pilot we will refine our understanding of how the new scheme works to make it as flexible and adaptable as it can be across the majority of land and business types by the time of full roll out in 2024.

At the start of the national pilot initial technical guidance on how best to deliver environmental benefits under the new scheme will be available to all, not just those relatively small numbers participating in the national pilot. By Phase 2 of the national pilot comprehensive technical guidance will be freely available. This will help all to understand what they could do with their land and what the benefits potentially would be. We will keep all of this guidance under review as we learn through tests, trials, the national pilot and our ongoing research and engagement.

How are we going to set payment rates that are sensible, fair and attractive?

We recognise that this is a really important issue, if we are going to attract more people into Environmental Land Management than are currently in Countryside Stewardship Schemes. We are looking at a range of options, and working with our engagement groups, through our tests and trials and through our pilot to develop and test our ideas. We will make decisions on payment rates for 2024 onwards, closer to the time.

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We will publish payment rates for the national pilot and early sustainable farming incentive rollout early in 2021, and will keep these under review based on what we learn.

Environmental Land Management will introduce a new contract-based approach to paying for public goods, with:

- more choice and control for farmers and land managers
- a greater focus on outcomes and the main practices and interventions that support them, and less prescription than was required under EU schemes
- a fairer, more supportive and effective approach to compliance

We are still in the process of designing the future scheme, with 68 ongoing tests and trials exploring how the building blocks of the scheme will work on the ground.

We are expecting to launch the National Pilot for the future scheme in late 2021, which will build on the learnings of farmers involved in tests and trials and give the opportunity for more farmers to get involved with the co-design of the scheme to make sure it is fit for our farmers.

We will be continuing to work with farmers, land managers and other partners to co-design these schemes from now until 2024.

What happens to people who are already in a scheme?

Extensions to Countryside Stewardship and Environmental Stewardship will be available for those who already have an agreement which is achieving positive environmental outcomes, and who wish to continue their agreement.

New Countryside Stewardship agreements will be available for those land managers who want to undertake a wider range of more ambitious environmental activities and receive capital payments in the first few years of the agricultural transition period.

When Environmental Land Management is fully rolled out, we will make sure there is a smooth transition for those in existing agri-environment schemes or involved in pilots.

Farmers and managers entering into new Countryside Stewardship agreements from 2021 will be able to break those agreements at agreed points without penalty (through annual break clauses), once they have secured a place in our new Environmental Land Management schemes. This includes in a limited number of instances the national pilot.

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Where appropriate, we are extending Higher Level Stewardship and Countryside Stewardship agreements into 2022, and we are looking at how best to extend these further over the agricultural transition period.

We will also honour the full extent of agreements we've already signed under the Rural Development Programme for England. This includes grants under the Countryside Productivity, Rural Growth, LEADER schemes and agri-environment and woodland agreements. These agreements continue to provide many benefits for farmers, the environment and rural economy.

How are we going to allow flexibility to make sure things work on different kinds of farm / location / other circumstance?

We're already working that through by means of tests and trials and will test it further throughout the 3-year national pilot.

When will you publish your response to the Environmental Land Management Policy Discussion Document?

We published a discussion document earlier this year and have been reviewing the responses, which were broadly supportive of our proposed approach. We will be publishing the responses in early 2021.

How does Environmental Land Management relate to the 25 Year Environment Plan?

The 25 Year Environment Plan, published in 2018, sets out our comprehensive and long-term approach to protecting and enhancing our natural environment for the next generation.

The Environment Bill introduces measures including Local Nature Recovery Strategies, Biodiversity Net Gain and Conservation Covenants. These will work together to incentivise positive land management practices and support the delivery of Environmental Land Management.

These measures will work together to help lay the foundation for a national Nature Recovery Network (NRN). Further details on such actions and outcomes will be set out in our new Nature Strategy for England, due for publication in 2021. The Nature Strategy will outline how we will implement new global targets domestically and meet our 25 Year Environment Plan goals for nature.

For more information on the changes over the agricultural transition period, please read [*The Path to Sustainable Farming: An Agricultural Transition Plan 2021 to 2024*](#)

Communications

What is the Agricultural Transition Plan 2021 to 2024?

[The Path to Sustainable Farming: An Agricultural Transition Plan 2021 to 2024](#) sets out the changes we are going to make to English agricultural policy, with a focus on 2021 to 2024. It explains what those changes will mean for farmers and land managers in practice.

What is the Farming is Changing booklet?

To accompany the Agricultural Transition Plan's publication, we have published a booklet called [Farming is Changing](#). The booklet summarises the content of the Agricultural Transition Plan, and is aimed at farmers and land managers.

Where can I get a hardcopy of the Farming is Changing booklet?

You can request a hardcopy of the booklet by emailing ruralpayments@defra.gov.uk

When will the National Food Strategy Part 2 be published?

Spring 2021.

When will you be doing more engagement?

What is it	Purpose	Audience	When
Consultations			
New Forest BPS Consultation (led by RPA)	Gather input to inform policy solution	Farmers in New Forest	November – Feb
Productivity Consultation	Gather input to inform policy solution	Farmers	February - May (TBC)
De-linking and exit scheme consultation	Gather input to inform policy solution	Farmers	February – May (TBC)

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Co-design workshops			
R&E workshops	Gather views/co-design	Farmers, land Managers	November – March
Farm Resilience Initiative	Gather views/co-design	Farmers, land Managers	November – March (TBC)
New Entrants Scheme	Gather views/co-design	Farmers, land managers	December - May
Sustainable Farming Incentive	Gather views/co-design	Farmers, land Managers	December - May
Slurry grants	Gather views/co-design	Farmers	January - March

How can I get more updates?

Sign up to the [Defra e-alert](#) to receive updates from us. Go to Defra.GOV.UK and scroll down to the 'Follow us' section.

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