



Department
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Food & Rural Affairs

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6 January 2023

Dear Colleagues,

Government to pay more to farmers who protect and enhance the environment

I'm writing to update you on our plans for supporting our farmers and rural communities in England this year. I know first-hand the invaluable work that farmers undertake. We are grateful to farmers for all they do and are committed to supporting them through this transition.

As you will be aware, protecting our environment and backing British farmers and rural communities is an essential part of the Government's plans. We are pressing ahead with our reforms to farming policy in England, moving from ineffective and unfair subsidies to instead rewarding farmers for improving the environment, whilst supporting them to invest in their productivity.

Yesterday, I was very pleased to announce at the Oxford Farming Conference that farmers will receive more money for protecting and enhancing nature and delivering sustainable food production under the Government's Environmental Land Management schemes. I also reconfirmed this Government's commitment to supporting our growers and the excellent food they produce. You can find the speech in full on [GOV.UK](https://www.gov.uk). I hope that this will further support farmers in your constituencies through the difficult times and rising costs that we are all facing.

Our aim is to strengthen our environment and support our thriving food and farming sector. All three of our Environmental Land Management schemes are now live, and across 2023 we are working on expanding and enhancing the popular Countryside Stewardship scheme. As set out in our manifesto, we are maintaining the farming budget over this parliament so that all Basic Payment Scheme reductions are put back into the sector. So far, we've been able to support farmers across England, with over 4,450 applications started for the Sustainable Farming Incentive started and over 32,000 Countryside Stewardship agreements live. This marks a 90% uptick in Countryside Stewardship agreements since 2010.

Increasing payment rates

We are updating payment rates for both Countryside Stewardship revenue options and capital items from the start of 2023 to better reflect the latest costs. Updated revenue rates will be introduced for all new and existing mid tier and higher tier Countryside Stewardship agreements from 1 January 2023. On average, there will be a 10% increase in revenue rates. This will differ between agreements and not all revenue rates will

increase. Countryside Stewardship capital rates, which cover one-off projects such as hedgerow creation, have also been updated, with the application window for these grants opening today.

Capital and annual maintenance payments for the England Woodland Creation Offer and the Tree Health Pilot will also be updated this year, helping to incentivise farmers to incorporate more of these valuable natural resources on farms.

Sustainable Farming Incentive Management Payment

This new Management Payment will be made for the first 50 hectares of farm (£20/ha) in a Sustainable Finance Incentive agreement, to cover the administrative costs of participation and to attract smaller businesses - many of whom are tenant farmers - who are currently under-represented in the scheme. For a 50-hectare farm this represents a potential increase of as much as 50%.

The Payment will be available for all Sustainable Finance Incentive agreements that include substantive actions, such as changing land management activities. Payments will be backdated to when the Sustainable Finance Incentive scheme fully opened in June 2022. The Sustainable Finance Incentive is already paying farmers to improve soil and moorlands, and an expanded set of standards for 2023 will be published shortly.

What's next?

The Government's manifesto guaranteed the current average levels of investment in farming of £2.4 billion per year in England over the life of this parliament.

Across 2023, we will be increasing the number of standards available under the Sustainable Finance Incentive so that more farmers can benefit. We are going further than previous plans, including six new standards in 2023. We will publish further details of this expanded Sustainable Farming Incentive offer, as well as the range of actions we will pay for across all our schemes to the end of 2024, by the end of January.

The second round of applications for Landscape Recovery – the scheme focused on long term, large scale change, will open this year and we will also continue to support farmers by rolling out our one-off payments to support innovation and productivity – starting with the slurry grant available now and the water management grant available later this month, then expanding our funded vet visits, and adding animal welfare grants to our package of support in the spring. I know from my own experience that no one farm is the same as another. There are a range of open grant offers which your farmers can apply for right now, to choose what best fits their business. See below for a full list.

All farmers can also receive free business advice to help them adapt to these changes. See [here](#) for a full list of providers.

Yours ever,



RT HON MARK SPENCER MP

Annex A – Farming schemes and grants open to farmers and land managers in England now

Ongoing payments:

- **The Sustainable Farming Incentive** pays farmers for the actions they take to manage their land in an environmentally sustainable way. [Full guidance on GOV.UK](#)
- **Countryside Stewardship** encourages farmers to take action to protect our environment via revenue options and capital items. [More information on GOV.UK](#)
- **England Woodland Creation Offer** pays landowners, land managers and public bodies to plant trees and create woodland. [Full guidance on GOV.UK](#)
- **Woodland Creation Planning Grants** pay landowners, land managers and public bodies (other than Forestry England) to support the design of new woodland. [Full Guidance on GOV.UK](#)

One-off grants to support productivity

- **Slurry Infrastructure Grants** provide farmers with an offer to upgrade their slurry management systems, offering strong environmental benefits. [Full guidance on GOV.UK](#)
- **The Farming Resilience Advice** allows any farmer or land manager in England who receives BPS (Basic Payment Scheme payments) to receive free business advice from an independent provider. The full list of providers is available [here](#).
- **Farming in Protected Landscapes** provides funding to farmers/land managers to support and improve Areas of Outstanding Natural Beauty (AONB), National Parks and the Broads. [Full guidance on GOV.UK](#)
- **Tree Health Pilot** provides funding for those who manage certain trees or woodlands affected by some pests and diseases in some regions of England. [Full guidance on GOV.UK](#)
- **Farming Innovation Programme** provides funding for farmers and growers who want to work to develop and use new, innovative methods and technologies. Competitions are run throughout the year and full details can be found on [UKRI.org](#)
- **Farming Investment Fund** provides grants to improve productivity and bring environmental benefits. [Full guidance on GOV.UK](#)
 - Within the farming Investment Fund **Slurry Infrastructure Grants** provide farmers with an offer to upgrade their slurry management systems, offering strong environmental benefits. [Full guidance on GOV.UK](#)