



Department
for Environment
Food & Rural Affairs

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Dear Colleagues,

Sustainable Farming Incentive 2023 opens for applications

From today (18 September), the new and improved Sustainable Farming Incentive 2023 is open for applications. The scheme pays farmers in England to take actions that support food production, farm profitability and resilience, whilst protecting and enhancing the environment.

This follows last week's announcement which confirmed farmers who have a live 2023 agreement before the end of the year will receive an early payment — worth 25% of the value of their agreement — in the first month of their agreement. This will help cashflow and ensure Sustainable Farming Incentive works for thousands of farm businesses. The previous subsidies under the old bureaucratic Common Agriculture Policy were only paid once a year and we continue to use our new Brexit freedoms to ensure greater flexibility for farmers.

Thousands of farm businesses of all types and sizes have already registered their interest with the Rural Payments Agency. We will continue to invite farmers who have expressed their interest to apply, opening it out to farmers as quickly as possible while ensuring stability. Those with Sustainable Farming Incentive 2022 standard agreements are encouraged to express their interest in the 2023 offer, if they haven't already.

We will work to get as many farmers onto the scheme as quickly as possible, so that farmers get payments in their pockets and are rewarded for the enthusiasm with which they are embracing this scheme.

Hundreds of early adopter farmers were invited to apply ahead of today's wider rollout, with applications already submitted and I'm delighted to say that the first agreement under the Sustainable Farming Incentive scheme has already been issued.

Farmers with existing Countryside Stewardship and Environmental Stewardship agreements are among these early adopters. They have already been invited to apply, and

Countryside Stewardship and Environmental Stewardship agreement holders will be able to apply alongside those who are not yet in an agreement.

To help you show your support for Sustainable Farming Incentive, we enclose a package of information below. You can read more on how the scheme offer has improved in 2023 in Annex A.

Why should farmers apply to Sustainable Farming Incentive?

- Every farmer who applies and is eligible will get an agreement.
- There is **no upper limit on the number of agreements** we will issue this year.
- **Farmers get paid for actions that support your business, food production and the environment.**
- **Payments will be made quickly and frequently** with four payments a year to help with cash flow.
- **Farmers with Countryside Stewardship or/and Environmental Stewardship agreements can apply.** They can enter the same area of eligible land into an Sustainable Farming Incentive agreement if the requirements explained in the [Sustainable Farming Incentive Handbook document](#) is met.
- **Farmers with Sustainable Farming Incentive 2022 agreements can express their interest to apply now.**
- **Farmers can choose how many actions you do.** Once in Sustainable Farming Incentive they can add more land and actions to their agreement each year.

The government has committed to maintaining the annual farming budget of £3.1 billion per year for the UK, including £2.4 billion per year for England, for the life of this parliament, with all spend released through reducing area-based subsidy payments made available to benefit the farming sector and farmers in England.

Our flexible approach to allocating funding has enabled us to respond to farmer demand for our schemes in 2022/23 including;

- More spending on our environmental land management schemes - from £428 million in 2020/21 to £700 million in 2023/24:
 - Almost twice as many Countryside Stewardship agreements in 2023 compared to 2020
 - Increased payment rates for Countryside Stewardship revenue and capital options
 - More than 4,000 farmers in the Sustainable Farming Incentive pilot and initial Sustainable Farming Incentive scheme
 - 22 Landscape Recovery projects covering over 45,000 hectares and working with over 250 farmers and landowners, and a second round of bids underway for 25 more projects
- Higher annual spend on productivity and innovation grants from £120 million in 2020/21 to over £200 million in 2023/24
- Significantly higher spending on other environmental schemes including Farming in Protected Landscapes, slurry management and animal health and welfare from £14 million in 2021/22 to more than £100 million in 2023/24:

- More than doubling the funding available for the first round of the [Slurry Infrastructure Grant](#) from £13 million to nearly £34 million due to very high demand

In 2024, we will see:

- the start of thousands of Countryside Stewardship 2024 agreements, including more farmers in our higher-ambition Higher Tier than ever before.
- the continued roll out of our new and improved Sustainable Farming Incentive 23 offer to thousands of farmers
- further spending on productivity, innovation and animal health and welfare grants
- increased funding for the Farming in Protected Landscapes scheme

I continue to encourage you to champion our schemes with farmers in your area. Our schemes are about supporting resilient and sustainable farm businesses, preserving and improving the countryside that we've stewarded for generations and putting food on the plates of people across the nation.

Yours ever,

A handwritten signature in blue ink that reads "M Spencer". The signature is written in a cursive style with a large initial 'M'.

Rt Hon Mark Spencer MP

Minister of State for Food, Farming and Fisheries

Annex A - How has the Sustainable Farming Incentive 2023 been improved for farmers?

- Actions that can be good for food production, farm profitability *and* the environment
- More than twice as many new Sustainable Farming Incentive actions as originally planned
- More flexible requirements, so that farmers can meet the requirements of the scheme in ways that best work for their farm, and the flexibility to rotate actions and add more actions and land each year
- A rolling application window – farmers can apply whenever works for them
- A scheme that is more accessible for tenant farmers, with shorter agreement lengths and the ability to enter into Sustainable Farming Incentive based on short-term rolling tenancies
- A reliable income – payments are made every three months
- A management payment of £20 per hectare for the first 50 hectares to cover participation costs
- The same payment rates for farms in upland and lowland areas for equivalent actions
- An additional annual payment for common land of £6.15 per hectare for groups of two or more
- A full Sustainable Farming Incentive handbook with confirmed payment rates and final details for each action
- The scheme is straightforward to apply for online – farmers will only be shown the options available to their farm
- Sustainable Farming Incentive is less prescriptive than before, so farmers can choose their own combination of actions in a new 'pick and mix' structure
- There's no minimum or maximum land area or hedgerow length, so farmers can choose how much land to cover with their Sustainable Farming Incentive agreement
- Sustainable Farming Incentive actions and Countryside Stewardship options can be combined in the same parcels, and on the same areas of land within parcels, if the land is eligible for both schemes and the actions are compatible