

Defra Farm Support Schemes in 2022/23

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The end of the Basic Payment Scheme (BPS)

The BPS continues through to 2027 but payments are being phased out. Farmers need to make sure they comply with all the usual rules on entitlements, cross-compliance etc. whilst the scheme is still running. Whilst the BPS continues until 2027 there will be two significant changes:

1. [Delinking](#)

- Delinking breaks the link between the occupation of land and the receipt of the BPS.
- Delinking will also mean the end of the cross-compliance regime. Those who are still farming will still have to comply with regulatory standards on the environment, animal and plant health and animal welfare
- The idea is to free-up farmers to make decisions about land occupation without affecting their future support payments (through to 2027).
- Delinking will take place in 2024.
- It will mean future BPS payments will not be linked to the requirement to occupy farmland each year. Claimants who subsequently change their land area will still receive the same future stream of income (reducing under the phase-out) whether they reduce the area of their holding or increase it. Effectively, support through to 2027 becomes a personal right for the previous claimant (business).

2. [The Lump Sum Exit Scheme](#)

This year only farmers will be able to opt to take all their future stream of payments through to 2027 as a 'Lump-sum' rather than being paid on an annual basis. Annual payments will be capitalised up into a single amount, which may or may not be equal to what otherwise would have been received. However, applicants will have to give up their land. This is effectively a retirement scheme, and the scheme is currently open and will run until 30th September 2022. Anyone who meets the criteria will get the payment.

[Countryside Stewardship](#)

Countryside Stewardship (CS) will remain open to new applications in 2022 and 2023. Changes to the scheme in the past couple of years include:

- The payment rates were changed (increased 30% on average) for 2022 and applications for Mid-Tier and Higher Tier will open in early 2023 for agreements starting in 2024
- [A new CS Capital Grants](#) is open for applications all year round:
 - This replaces the previous Hedgerow and Boundaries Grant. It still includes boundaries but has been expanded to cover trees, orchards, water quality and air quality and there are 67 capital items funded.

- It is a standalone scheme; land not in CS and in Wildlife Offers is eligible (equivalent capital grants are available within Mid-Tier CS)
 - There is a maximum grant of £60,000 (previously £10,000)
 - Agreements allow 2 years to get work done then it must be maintained for 5 years
- Applications for [Woodland Management Plan](#) and [Woodland Tree Health grants](#) are also open all year.

[Sustainable Farming Incentive \(SFI\)](#)

The SFI is the first element of Environmental Land Management (ELM) to become available.

It is a scheme that is designed to fit *alongside* commercial farming (rather than *instead of* it). Defra envisages the majority of farmers entering the scheme with a target for take-up of 70%.

- There will be a number of ‘Standards’, each dealing with a specific topic.
- Each Standard will have three ambition levels - Introductory, Intermediate and Advanced. There will be a set payment rate for each level; the higher the level chosen, the greater the payment. The scheme is being rolled-out gradually with different Standards being introduced at different times.

The indicative timetable is set out below:

- Now Open: Arable & Horticultural Soils; Improved Grassland Soils; Moorland and Rough grazing
- Autumn 2022: Animal Health and Welfare Pathway will provide incentives for farmers to go above the regulatory baseline and reward higher animal health and welfare on farm. This will include capital grants.
- 2023: Nutrient Management; Integrated Pest Management; Hedgerows
- 2024: Agroforestry; Low & No Input Grassland; Moorland & Rough Grazing (all levels); Water Body Buffering; Farmland Biodiversity
- 2025: Organic; On-farm Woodland; Orchards & Specialist Horticulture; Heritage; Dry Stone Walls

[Local Nature Recovery and Landscape Recovery Schemes](#)

These are the other elements of ELM. Neither is full launched yet so they should not impact on farmers’ thinking in 2023. However, it is worth knowing what is planned for the future.

[Local Nature Recovery \(LNR\)](#) will build on Countryside Stewardship. It will reward land managers for creating, maintaining and enhancing habitats and other environmental features alongside farming. This could be in small, less productive or difficult to manage areas of a farm, or on a larger scale where that’s appropriate.

Like CS there will be a range of options which farmers choose from. Collaboration will be encouraged through facilitation funding, and it will be tailored to local priorities.

More details on payment rates and precise options are expected later this year. There will be testing and piloting happening later in 2022 and 2023 with the full scheme expected to launch in 2024.

[The Landscape Recovery \(LR\) scheme](#) is the final element of ELM; this scheme is for landowners and managers who want to take a more 'radical and large-scale approach' to producing environmental and climate goods on their land.

The scheme will focus on biodiversity, river management, afforestation, peat restoration, salt marsh re-creation and net zero. Agreements are expected to be long term, 20-years plus, with safeguards, such as Conservation Covenants in place to protect them in the future. It is expected that each agreement will cover a large area 500 to 5,000 Ha. There will be no set list of options with payment rates, instead Defra will work with project managers to negotiate bespoke agreements. Again, Pilots will run in 2022 and 2023 before the full scheme is launched in 2024.

[Farming Investment Fund](#)

The main capital grant scheme is the Farming Investment Fund (FIF). This offers grants of 40% for investment in items of equipment deemed to improve productivity. There are a number of elements to the scheme:

[Farming Equipment and Technology Fund](#)

A fixed rate of grant for specified items with application online.

- Minimum grant is £2,000 with a maximum of £25,000.
- The scheme opens in rounds for applications.
- Applicants can apply for a total of £50,000 during the lifetime of the scheme which is expected to run until 2026.

[Slurry Infrastructure Fund](#)

To help farmers fund slurry storage for 6 months, plus the cost of covers. The scheme will open in autumn 2022 and run until 2025. Rates of grant and scheme rules had not been announced at the time of writing, but it is expected that:

- Funding will be at 50% with grants ranging from £25,000 to £250,000
- Only those already on slurry-based systems will be eligible
- Grants to fund up to 6 months storage will be made
- Following funding all storage on the farm must be compliant with the Silage, Slurry and Agricultural Fuel Oil (SSAFO) Regulations - i.e. grandfather rights will be removed on old stores

- A manure Management Plan and a Nutrient Management Plan will be required
- Grants will be competitive with a scoring system. Farms in Priority or close to Protected Sites (e.g. SSSIs) are expected to score more highly

[Farming Transformation Fund](#)

This is for larger items of spending with grants of between £35,000 and £500,000 (again, based on a 40% grant rate). It is open to contractors as well as farmers. Applications are via a two-stage process with an EOI and then full application. The grant funds projects in three areas

- Water Management – support for reservoirs and irrigation systems
- Improving Farm Productivity – support for robotic or autonomous equipment and systems to aid crop and livestock production and the installation of slurry acidification equipment
- Adding Value (i.e. processing and marketing)

[Farming in Protected Landscapes \(FiPL\)](#)

The FiPL programme supports farmers and the wider community in National Parks, Areas of Outstanding Natural Beauty (AONB) and the Broads. Whilst this is often thought of as being for hill areas many of the AONBs are actually in the lowlands.

It pays grants to mitigate the impacts of climate change, improve nature, improve access and understanding of the countryside, and enhance the quality and character of the areas. Payment rates vary depending on whether a commercial gain can be made through the project. If no commercial gain is identified, then up to 100% of the costs may be paid.

[Future Farming Resilience Fund \(FFRF\)](#)

The FFRF will offer fully funded advice to farmers during the agricultural transition. Support will be provided by accredited advisors through various mechanisms, including one-to-one consultancy and farm business reviews, webinars and workshops. Support will be scaled-up from September 2022 and will operate until October 2024.

[New Entrants Scheme](#)

The New Entrants Scheme is scheduled to run from 2022 to 2024. There are few details available as yet but this is likely to focus on helping new entrants through mentoring, land-matching etc. rather than financial assistance.