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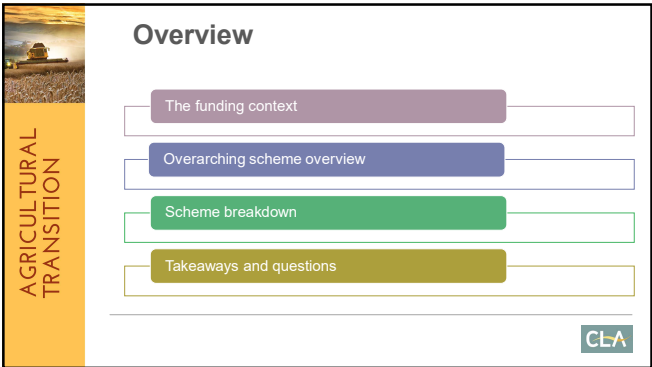
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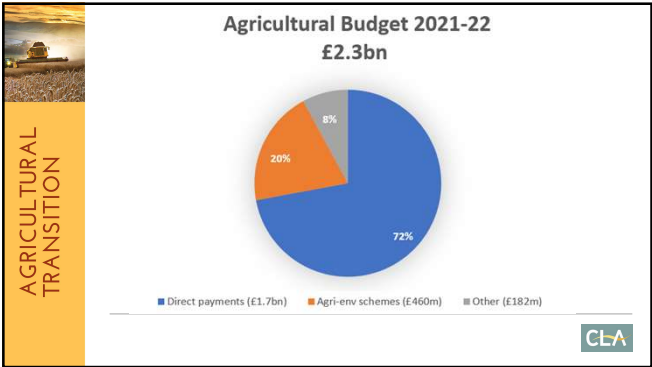
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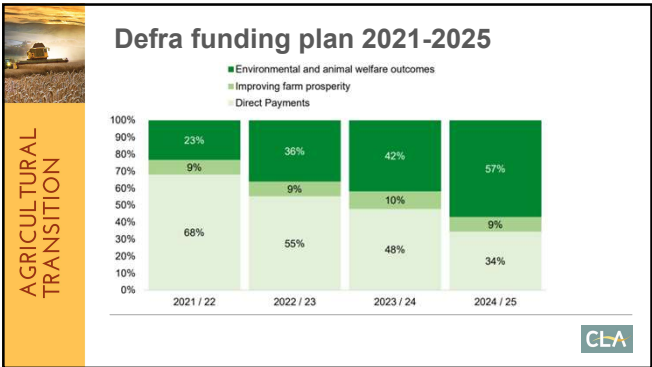
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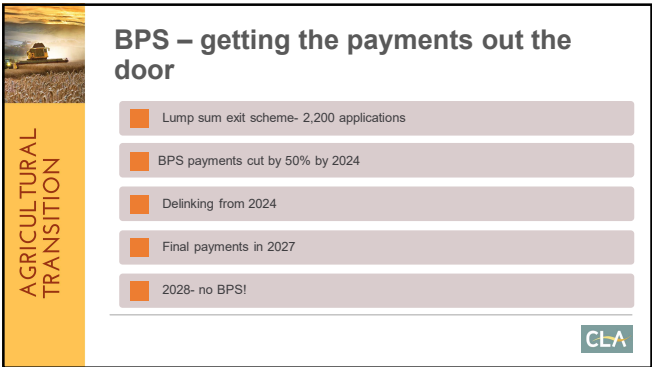
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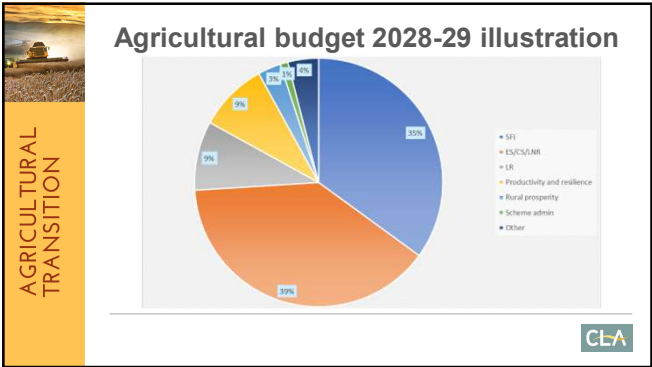
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AGRICULTURAL  
TRANSITION

### Headlines

- In the 2<sup>nd</sup> year of the 7 year agricultural transition to phase out direct payments – Basic Payment Scheme
- It will affect all farmers, especially those in receipt of BPS
- BPS is being recycled into new schemes which support farming and environmental delivery
- It is happening at a time when there is a lot of other change
- There is time and support to address the challenges

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### Agricultural Transition Period Timeline 2021–2028 (1 April–31 March)

Scheme	Purpose	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
<strong>1. BASIC PAYMENT SCHEME</strong>								
Basic Payment Scheme	Single payment	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Environmental Land Management	Single payment	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Environmental Land Management	Single payment	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Environmental Land Management	Single payment	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
<strong>2. PRODUCTIVITY AND RESILIENCE</strong>								
Productivity and Resilience	Single payment	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Productivity and Resilience	Single payment	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Productivity and Resilience	Single payment	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Productivity and Resilience	Single payment	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Productivity and Resilience	Single payment	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
<strong>3. CURRENT AGRI-ENVIRONMENT SCHEMES</strong>								
Current Agri-Environment Schemes	Single payment	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
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Current Agri-Environment Schemes	Single payment	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
<strong>4. ENVIRONMENTAL LAND MANAGEMENT (ELM) SCHEMES, NEW WOODLAND SCHEMES AND TREE HEALTH</strong>								
Environmental Land Management (ELM) Schemes	Single payment	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
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<strong>5. ANIMAL HEALTH AND WELFARE (AHW) PATHWAY</strong>								
Animal Health and Welfare (AHW) Pathway	Single payment	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Animal Health and Welfare (AHW) Pathway	Single payment	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
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Animal Health and Welfare (AHW) Pathway	Single payment	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28

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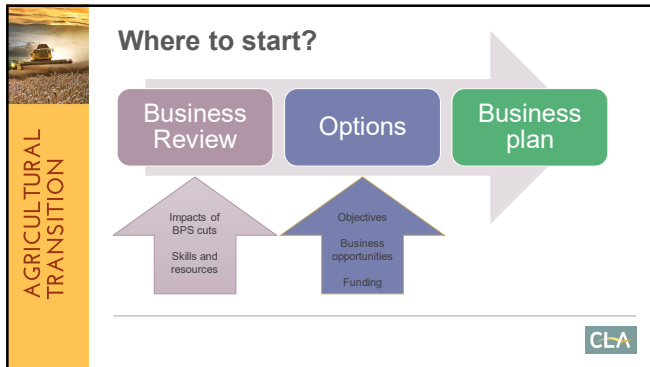
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**Phased reduction in Basic Payment Scheme**

Payment banding	BPS cut for that band each year	
	2021	2022
Up to £30,000	5%	20%
£30,000 - £50,000	10%	25%
£50,000 - £150,000	20%	35%
Over £150,000	25%	40%

**Calculation complete**

Your estimated progressive reductions are based on a starting payment amount of £20,000.00.

Scheme year	2021	2022	2023	2024
£20,000.00 or less	0%	20%	30%	40%

**Your progressive reductions**

Scheme year	2021	2022	2023	2024
£30,000.00 or less	£1,000.00	£4,000.00	£7,000.00	£10,000.00
<b>Total progressive reduction:</b>	<b>£1,000.00</b>	<b>£4,000.00</b>	<b>£7,000.00</b>	<b>£10,000.00</b>

**Your estimated payment after progressive reductions**

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**Which schemes?**

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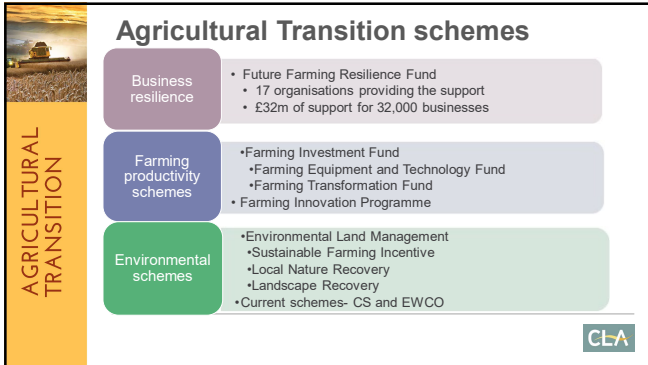
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**Agricultural Transition schemes**

**Business resilience**

- Future Farming Resilience Fund
- 17 organisations providing the support
- £32m of support for 32,000 businesses

**Farming productivity schemes**

- Farming Investment Fund
- Farming Equipment and Technology Fund
- Farming Transformation Fund
- Farming Innovation Programme

**Environmental schemes**

- Environmental Land Management
- Sustainable Farming Incentive
- Local Nature Recovery
- Landscape Recovery
- Current schemes- CS and EWCO

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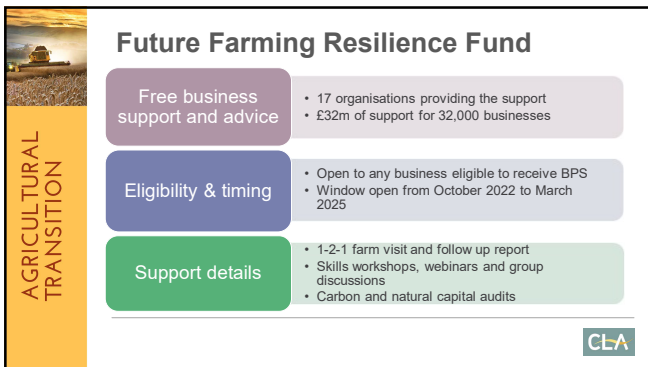
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**Future Farming Resilience Fund**

**Free business support and advice**

- 17 organisations providing the support
- £32m of support for 32,000 businesses

**Eligibility & timing**

- Open to any business eligible to receive BPS
- Window open from October 2022 to March 2025

**Support details**

- 1-2-1 farm visit and follow up report
- Skills workshops, webinars and group discussions
- Carbon and natural capital audits

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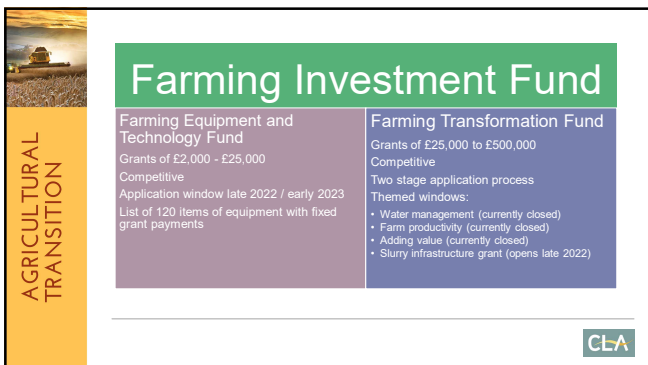
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**Farming Investment Fund**

**Farming Equipment and Technology Fund**

Grants of £2,000 - £25,000

Competitive

Application window late 2022 / early 2023

List of 120 items of equipment with fixed grant payments

**Farming Transformation Fund**

Grants of £25,000 to £500,000

Competitive

Two stage application process

Themed windows:

- Water management (currently closed)
- Farm productivity (currently closed)
- Adding value (currently closed)
- Slurry infrastructure grant (opens late 2022)

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### Environmental schemes – available now

Countryside Stewardship

- Reviewed payment rates for 2022
- Applications open in February 2023 for 2024 start dates
- Range of options to select each with annual payments
- Facilitation Fund and Capital Grants

England Woodland Creation Offer

- Increased grants to cover planting costs
- One-off payments for public goods
- Annual maintenance payments of £300/ha for 10 years
- Potential for carbon sequestration payments



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### The Sustainable Farming Incentive

Key features

- Open to any business eligible to receive BPS in England
- Rolling application window
- 3 year agreements
- Quarterly payments
- Options can be stacked and added every 12 months
- Simple application process
- Payments for actions



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### SFI offer 2022

Improved arable and horticultural soils


- Introductory: **£22/ha**
- Intermediate: **£40/ha**

Improved grassland soils

- Introductory: **£28/ha**
- Intermediate: **£58/ha**

Moorland

- Introductory: **£10.30/ha**



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### SFI – how has it landed?

Key messages

- Simple application process
- Helpful support from RPA
- Great if already performing actions
- Limited offer for 2022
- Not much for those in CS
- Low payment rates
- Limited interest and take up so far
- 70% target by 2028...

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### SFI roll out

From 2022

- Arable and horticultural soils
- Improved grassland soils
- Moorland

From 2023

- Nutrient management
- Integrated pest management
- Hedgerows
- Soil standards-advanced

From 2024

- Agroforestry
- Low and no input grassland
- Water body buffering
- Farmland biodiversity
- Moorland (intermediate and advanced)

From 2025

- Organic sector
- Farm woodland
- Orchards and specialist horticulture
- Heritage
- Drystone walls

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### ELM - future schemes

Local Nature Recovery Scheme

- Similar to Countryside Stewardship
- Pilots from 2023
- Phasing in from 2024

Landscape Recovery Scheme

- Landscape scale, and long-term change
- 500 ha - 5,000 ha
- Individual or in collaboration
- 22 pilots started from 2022

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### Farming in Protected Landscapes

Key features

- Targeted grant funding in National Parks, Areas of Outstanding Natural Beauty and the Broads
- Funding until 2024
- Grants for a wide range of projects
- Applications through landscape authorities

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### Rural England Prosperity Fund

Key features

- £110m fund
- Capital grants
- Diversification projects
- Administered by local authorities
- From April 2023
- 2 year period

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### Takeaways for advisers

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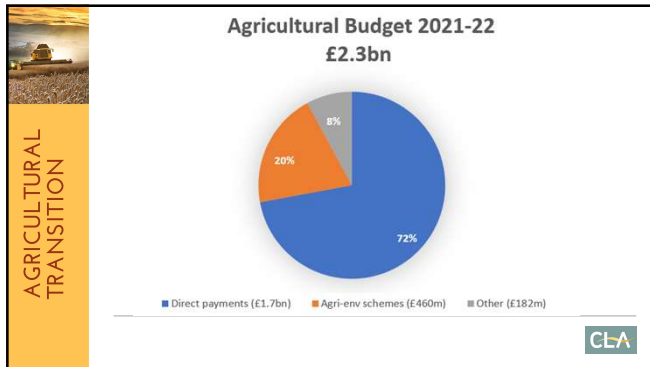
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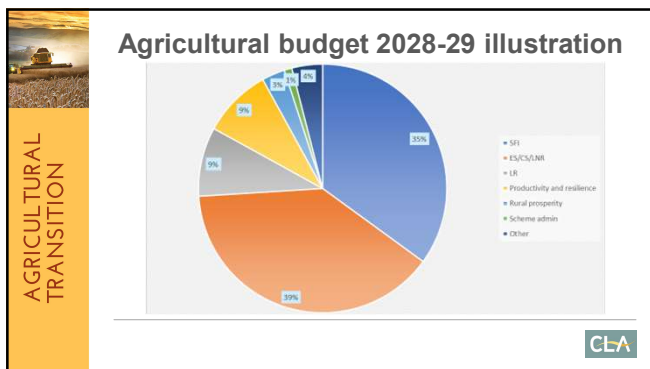
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**Agricultural Transition Period Timeline 2021–2028 (1 April–31 March)**

Scheme	Purpose	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
<b>1. BASIC PAYMENT SCHEME</b>								
Basic Payment Scheme (BPS)	Direct payments to farmers	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Greening	Environmental conditions	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Agri-environment	Agri-environment schemes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Other	Other schemes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>2. PRODUCTIVITY AND RESILIENCE</b>								
Climate Resilient Farming Scheme (CRFS)	Climate resilient farming	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Agri-environment	Agri-environment schemes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Other	Other schemes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>3. CURRENT AGRI-ENVIRONMENT SCHEMES</b>								
Agri-environment	Agri-environment schemes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Other	Other schemes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>4. ENVIRONMENTAL LAND MANAGEMENT (ELM) SCHEMES, NEW WOODLAND SCHEMES AND TREE HEALTH</b>								
ELM	Environmental Land Management	Yes	Yes	Yes	Yes	Yes	Yes	Yes
New Woodland	New Woodland Schemes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Tree Health	Tree Health Schemes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>5. ANIMAL HEALTH AND WELFARE (AHW) PATHWAY</b>								
AHW	Animal Health and Welfare	Yes	Yes	Yes	Yes	Yes	Yes	Yes

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AGRICULTURAL TRANSITION

## Takeaways for advisers

There is a lot happening and challenges with keeping up!

Change = uncertainty = need for good advice

Public money expertise is just the start?

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AGRICULTURAL TRANSITION

## Defra information

Defra Blog – email and online  
<https://defrafarming.blog.gov.uk>

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AGRICULTURAL TRANSITION

## CLA is here to help

- Land and Business magazine
- Agricultural Transition Hub – [www.cla.org.uk/agricultural-transition/](http://www.cla.org.uk/agricultural-transition/)
- Guidance notes e.g.
  - Sustainable Farming Incentive 2022
  - Rural Asset Management Plan
  - Business planning
- Funding database
- Telephone advice - regional and national teams

ADVICE

ENVIRONMENT AND LAND USE

FOOD & RURAL

OVERVIEW OF DEFRA AGRICULTURAL TRANSITION SCHEMES (ENGLAND ONLY)

GUIDANCE NOTE FOR CLA MEMBERS

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