



Department
for Environment
Food & Rural Affairs

Defra Food and Farming Sectors and Trade Division Stakeholder Engagement





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for Environment
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On the Sustainable Farming Incentive (SFI) pilot standards, and the proposed SFI payment and compliance monitoring processes





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Purpose of this meeting:

to lay out the process by which Sector representative bodies can provide expert feedback on the currently available SFI pilot standards, and general views on SFI payment and compliance monitoring processes.



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Why are we consulting now

- Defra is applying a co-design approach to the development of SFI.
- Initial 8 SFI pilot standards were published on 7th June 2021 including information on payment levels, how payments will be made and indications for how the pilot will be monitored (details on these can be found on the Gov.uk pages linked on slide 14)
- Nothing is agreed and Defra would value feedback, especially on the technical standards which will form the basis of the activities that farmers will need to undertake in order to access SFI

Why are we requesting this feedback

Your feedback will support the development of the SFI pilot standards and some of the proposed implementation processes to ensure that:

- Farmers will be better able to participate fully in the SFI when it launches and so provide public goods through positive environmental outcomes whilst accessing an alternative income stream
- The standards are appropriate, complete and accessible to our sectors.
- We gather views on the farmers' preferred methods for making payments and compliance monitoring



Limitations to the scope of this engagement

- This engagement is intended to gather feedback in a written form that clearly lays out the views of industry bodies and the farmers in their sector
- Provision of feedback in this form is essential to ensure those views are clearly and correctly communicated to the Defra team responsible for the SFI
- The role of the Defra sector team in this engagement is act as the link between farmers and growers and the SFI team, using their specialist industry contacts to gather vital expert opinion and deliver it to the SFI team
- The sector teams are not SFI experts and so not able to provide guidance, or to answer detailed questions on the SFI, during this meeting
- Whilst acknowledging that there may be disappointment that immediate answers will not be available from the sector teams as part of this engagement, the feedback provided will be invaluable in the longer term development of the SFI. A large amount of guidance is available on the Gov.uk website and links to this on slide 14

Introduction to the SFI

- The SFI is one of three new schemes being launched by Defra that will pay for sustainable farming practices, improve animal health and welfare, improve environmental outcomes and reduce carbon emissions.
- The other two schemes are the Local Nature Recovery (LNR) and Landscape Recover (LR schemes.)
- At a very basic level you can think of SFI as being something that farmers or those who use the land to produce “things” can apply for.
- All three schemes will be piloted before full launch and implementation of the schemes will coincide with the reductions in BPS payments between 2021-2027.
- SFI scheme is planned for launch next year to a much larger group of participants than the pilot. Initial details on SFI Roll Out were published in June.
- This request for stake holder feedback will focus on the initial standards that are included within the SFI Pilot - which will start in October 2021.

Introduction to the SFI Pilot.

- There are 8 initial “standards” in the pilot.
- Each of the standards are based on “assets” (soil, hedges, woodland etc).
- It will be possible to apply more than one standard to the same piece of land – for example, applying both the arable and horticulture land and the arable and horticulture soils standards to a field, and the hedgerow standard to the hedges that surround it .
- There are up to three levels of ambition in each standard (introductory, intermediate and advanced.)
- The levels of ambition are cumulative (ie. you have to complete all actions in the lower levels, in addition to the additional actions in the higher levels if you sign up for the intermediate or advanced levels.)

Introduction to the SFI Pilot (cont.)

- Standards adopted can be applied to selected areas and do not have to be carried out on all land, but where a standard is adopted all actions within it will have to be carried out on the allotted area
- Payment rates increase depending on the level of ambition signed up for.
- All paid actions in the standards go over and above statutory requirements.
- There are eligibility requirements for the pilot (e.g. BPS recipients, no common land, no land parcels in other agri-environment agreements).
- The SFI pilot will enable a group of farmers and growers to trial a suite of potential SFI standards in close cooperation with the SFI team and includes formal feedback and learning processes.

Introduction to the SFI Pilot. (cont.)

- We received over 2000 expressions of interest to take part in the pilot and have invited everyone who submitted an EOI to submit a full application.
- We will introduce additional standards throughout the pilot (which will end in late 2024.) We will consult you on the drafts of these as they are published

Initial 8 SFI Standards

Standard	Environmental Outcomes
Arable & Horticultural Land	Provide resources and habitat for birds, pollinators and insects, create buffers round trees, use nutrient management planning for manures and fertilisers.
Arable and horticultural Soils	Carry out soil assessments, protect soil from run off and alleviate compaction, sow green cover on high and very high risk land.
Improved Grassland	Manage grazing, manage historic features leave margins uncut to encourage flowers and seed, create habitats for wildlife, use nutrient management planning
Improved Grassland Soils	Carry out soil assessments, protect soil from run off and alleviate compaction, manage activities on regularly flooded land and maintain green soil cover.
Low / No Input Grassland	Manage grazed pasture with limited nutrient inputs, manage weeds and invasive /competitive species, buffer in field trees, provide food and habitat for wildlife.
Farm Woodland	Improve connectivity between habitats, provide habitats and increase carbon stocks, some small scale planting of new woodland
Waterbody Buffering	Establish grass buffer strips to protect waterbodies from pollution on areas identified through run-off and soil risk assessment.
Hedgerows	Increase the amount of pollen, nectar and berries, provide habitat through planting of new hedgerows, create buffer strips to protect hedgerows.

Example of Payments (Hedgerows)

Introductory £16/100m	Intermediate £21/100m	Advanced £24/100m
Increase the amount of pollen, nectar and berries in your hedges by leaving a minimum of 50% of total hedgerow length uncut each year on rotation.	Increase the amount of pollen, nectar and berries in your hedges by Either cutting a maximum of 33% of total hedgerow length each year in rotation, or cutting a maximum of 50% each year, but raising the cutting height by at least 10 cm on each occasion. Where hedgerows are shorter than 2m allow tops to grow uncut.	
Provide habitat for wildlife by maintaining existing and/or planting/selecting (tag for growing on) to have an average of one hedgerow tree per 400m across all the hedges entered into the agreement.	Provide habitat for wildlife by maintaining existing and/or planting/selecting (tag for growing on) to have an average of one hedgerow tree per 200m across all the hedges entered into the agreement.	Provide habitat for wildlife by maintaining existing and/or planting/selecting (tag for growing on) to have an average of one hedgerow tree per 100m across all the hedges entered into the agreement.
	Protect your hedgerow from agrochemicals, fertilisers and physical disturbance by maintaining a 4m buffer strip (from centre of hedge) along both sides of 50% of hedgerows.	Protect your hedgerow from agrochemicals, fertilisers and physical disturbance by maintaining a 4m buffer strip (from centre of hedge) along both sides of 75% of hedgerows.
Additional Capital Items available under this standard:		
TE4 Supply and plant tree TE5 Supplement for use of individual tree-shelters		

Where can I find information on the [SFI pilot](#) and the [SFI pilot](#)?

- [Sustainable Farming Incentive: Defra's plans for piloting and launching the scheme](#)
- [Sustainable Farming Incentive pilot](#)
- [Aims of the Sustainable Farming Incentive pilot standards](#)
- [Sustainable Farming Incentive pilot: environmental outcomes and benefits](#)
- [Piloting the Sustainable Farming Incentive: making an application](#)
- [Agricultural Transition update – including information on the interaction of SFI with Countryside Stewardship.](#)





Question Focus: SFI pilot standards

We are keen to receive feedback from stakeholders on any aspect of the standards. However, we would particularly welcome feedback on the following questions:

- How complete are the standards? Are there on farm actions which might be suitable for inclusion in the SFI **but aren't currently in the standards?**
- How practical are the standards - will they be deliverable 'on farm'?
- What barriers might prevent farmers from delivering the standards and how could the standards reflect these or take these into account?



Question Focus: SFI pilot standards (cont.)

- Is there currently sufficient advice and guidance available to support farmers to deliver the standards? If not, what further guidance might be provided?
- Is the advice and guidance currently available clear and easy to understand?
- Are there any opportunities to test or trial aspects of the current standards that would help the co-design process?



Questions Focus: SFI payment and compliance monitoring processes

- Are payment rates correctly pitched to encourage and enable participation – if not what changes might be required?
- Are there preferred methods or times for payments to be made?
- How could the payments and compliance monitoring best be approached and structured to enable and simplify scheme participation?
- Are there particular aspects of the payment and compliance monitoring models that would encourage, or discourage participation?



Questions Focus: SFI and payment processes and assuring compliance (cont.)

- How best should a failure to comply with scheme requirements by participants be approached?
- Do you have concerns about being unable to deliver commitments under the SFI in some circumstances (for example weather or insufficient time or labour) – if so, how could the schemes account for such events?
- Are there any opportunities to test or trial new or innovative mechanisms around payment or monitoring of compliance that would help the co-design process?

How to feed back and by when



- Please provide feedback in writing using the response form and email to redmeatanddairy.team@defra.gov.uk
- Please provide any feedback by **Friday 8th October**
- We will then collate the feedback received from Stakeholders across our various sector teams and forward this to the SFI pilot team to be incorporated into the ongoing co-design process which will shape the SFI.



Invitation to participate in existing or new SFI test and trials

- Tests and Trails are an important part of the co-design process for the elaboration of the three schemes. They allow stakeholders to lead on/participate in testing the potential mechanisms and structures of the schemes. Tests and Trails run alongside the National Pilot and the 3 schemes
- We are considering if existing test and trials could be expanded, or new ones established, to test the process of applying to participate in the SFI; the proposed payment mechanisms and/or how the eight SFI Standards might operate in practice. We will not be testing the anticipated environment outcomes, but rather the mechanics of how the processes, approaches and practices might work in practice
- If you have farmers who would be interested in participating in this work please let us know via our team email address redmeatanddairy.team@defra.gov.uk

Invitation to take part in 1-2-1 engagement on the SFI pilot application, payment and monitoring processes

- The SFI team will shortly be carrying out some sector-specific stress testing for which they are seeking participants for some 1-2-1 engagement. They are specifically looking for participants from the pig, eggs, poultry, horticulture and peri-urban sectors who are not currently eligible for the Sustainable Farming Incentive as they are not BPS recipients, but will be eligible in the future when being registered for BPS will no longer be a SFI scheme requirement.
- The exercises will include assessing the accessibility of the [Sustainable Farming Incentive Pilot Standards](#) and attending a structured, online workshop with other members of your sector to discuss. There may also be a 1-2-1 phone call to get further insight.
- The workshops will most likely take place between late August and the end of September.
- If you are interested in taking part, please contact the ELMS team on ELMStakeholder@defra.gov.uk