

This document is an updated section of the Farm Management Handbook. It was updated on 28th of June 2024. You can find the complete handbook, as well as other updated sections, on the FMH section of the FAS website.

Introduction

Following the UK's departure from the EU, support schemes are now being funded by the UK Government and the devolved administrations.

Over the next few years, UK administrations are implementing transition periods whereby direct payments will be phased out and new policies and support frameworks are being put in place. The following sections provide an overview of the current schemes for each UK administration, with an indication of potential changes for the future. Relevant government websites should be viewed for more detailed information and up-to-date guidance.

Scotland

As part of the eligibility for some rural aid schemes livestock units are used by the Scottish Government to calculate stocking densities, these are as follows:

Type of stock Livestock units (per	head)
Beef cows (including suckling calves)	1.0
Dairy cows used for milk production	1.0
Other cattle (24 months and over)	1.0
Other cattle (6-24 months)	0.6
Calves	0.4
Ewes and gimmers (including suckling lambs)	0.15
Ewe hoggs	0.15
Other sheep	0.15
Goats (over 6 months old)	0.15
Alpacas (over 6 months old)	0.30
Farmed deer - stags (over 27 months)	0.40
Farmed deer - hinds, including suckling calves (over 27 months)	0.30
Farmed deer - juveniles (6-27 months)	0.20

The calculations of stocking densities using these figures should be carried out with the same methodology as is detailed within the Livestock chapter.

Single Application Form

In Scotland, the Single Application Form (SAF) is the form that must be completed in order to claim payments under the following schemes:

- Basic Payment Scheme, including Greening and Young Farmer payments.
- Scottish Suckler Beef Support Scheme (Mainland and Islands).

- Scottish Upland Sheep Support Scheme.
- Less Favoured Area Support Scheme (LFASS).
- Agri-Environment Climate Scheme annual recurrent options.
- Forestry Grant Scheme annual maintenance and management grants.
- Rural Development Contracts Rural Priorities annual recurrent options.

The SAF should be submitted online via Rural Payments and Services website, for which, land managers must be registered with Rural Payments and Services (www.ruralpayments.org). A handwritten paper SAF will only be considered by SGRPID in a very limited range of exceptional circumstances. To request a blank form, you must contact your local area office. The deadline for submitting applications is generally the 15th of May each year.

The SAF is a declaration of all the permanent and seasonal agricultural and non-agricultural land parcels greater than or equal to 0.10 hectare you have in the United Kingdom on the 15th of May as a separate IACS (Integrated Administration and Control System) business. Information declared includes:

- Areas of crops grown on an individual land parcel basis used to claim the Basic Payment Scheme and LFASS.
- EFA options and areas used to meet Greening requirements.
- Agri-Environment Climate Scheme, Forestry Grant Scheme and Rural Development Contracts options and areas.
- Livestock numbers on the holding on 1 March.

Within the SAF, there is also the option to claim for Young Farmer Payment, Less Favoured Area Support (LFASS) and the National Reserve.

While in preparation for the UK's departure from the EU, the Scottish Government introduced legislation in November 2019 which proposed to keep farm support approaches broadly the same until 2024. Following the publication of the Scottish Government's Vision for Agriculture in March 2022, Scottish Government has been seeking to streamline the process of applying for payments and have been operating some pilot schemes in preparation for the new agricultural support regime being introduced in 2025.

Direct Payments

Direct Payment Schemes implemented in Scotland in the 2024 scheme year included the Basic Payment Scheme (BPS), Young Farmer Scheme, National Reserve and Voluntary Coupled Support (i.e., Scottish Suckler Beef Support Scheme (Mainland and Islands) and Scottish Upland Sheep Support Scheme).

Basic Payment Scheme

To take part in the BPS and receive funding farmers and crofters need to:

- Be an active farmer and be involved in agricultural activity.
- Hold BPS entitlements.
- Submit a claim via a Single Application Form (SAF).
- Farm a minimum of three hectares of eligible land and have this land at their disposal on the 15th of May of the claim year.
- Have one eligible hectare of land for each BPS entitlement.
- Comply with Greening and a range of Statutory Management Requirements (SMRs) and standards on Good Agricultural and Environmental Condition (GAEC) i.e., Cross Compliance.
- Keep comprehensive, accurate, and up-to-date records.

Active farming

Applicants to the Basic Payment Scheme must meet the definition of a 'farmer' i.e., be a natural or legal person (or a group of natural or legal persons) whose holding/production units is/are situated within Scotland. They must also exercise an agricultural activity, e.g., the production, rearing or growing of agricultural products including harvesting, milking, breeding animals and keeping animals for farming purposes.

If the farmer or crofter has land that is naturally kept in a state suitable for cultivation and grazing, there are rules on exercising a minimum activity which must also be met - see next page.

Entitlements

Based on the areas of eligible land claimed on the 2015 SAF, BPS Regions 1, 2 and 3 entitlements were allocated to eligible farmers and crofters. For Payment Regions 2 and 3 farmers were allocated 10% fewer entitlements than the area of land declared, this is due to a reduction co-efficient having been applied. Further information about the Payment Regions can be found in the following section:

Eligible New Entrants to farming can apply to the National Reserve for entitlements; other farmers and crofters can obtain entitlements by purchasing, leasing, inheriting them or due to whole holding transfers, business splits or mergers. Entitlements can be transferred by sale or lease, with or without land to another active farmer.

Payment regions and rates

Land parcels in Scotland are allocated to one of three payment regions:

Payment Region	Land use category
1	Arable, temporary, and permanent grass.
2	Rough grazing designated as LFA grazing category B, C or D and non-LFA rough grazing land.
3	Rough grazing designated as LFA grazing category A.

Farmers and crofters receive the same Basic Payment (BP) entitlement value per payment region.

The Greening payment rates remain the same for all farmers and crofters depending on the payment region.

The actual entitlement value for each year will be worked out once the total number of hectares of eligible land claimed for in each payment region is known and the overall budget for that period will be divided up according to the hectares claimed. As at the time of writing (June 2024) the 2024 payment rates have not yet been published, the payment rates for 2023 are shown in the following table.

Payment Region	2023 BPS rate (£/ha)	2023 Greening rate (£/ha)	2023 Combined rate (£/ha)*
1	147.64	75.92	223.56
2	32.51	12.85	45.36
3	9.46	4.30	13.76

Minimum activity

The minimum agricultural activities farmers or crofters must undertake to make the land eligible for the BPS is related to the Payment Region(s) applicable to the land, as follows:

Payment Region 1:

- Where agricultural production activities are undertaken, these can include the production, rearing or growing of agricultural products including harvesting, milking, breeding animals and keeping animals for farming purposes.
- Where no agricultural production activities are undertaken, the land must be maintained in a state suitable for grazing or cultivation, i.e., action should be taken to control injurious weeds and maintain access for livestock or machinery. On permanent grassland, existing stockproof boundaries and water sources for livestock should be maintained; and on arable land, encroachment of scrub should be prevented.

Payment Regions 2 and 3:

- The normal minimum agricultural activity is to undertake an average level of stocking of 0.05LU/ha on all hectares for 183 days in each scheme year, or where justified, a lower minimum stocking density, in terms of numbers or period, which is in line with the carrying capacity of the land or as a result of an environmental management agreement may be acceptable.
- As an alternative to minimum stocking levels, an annual Environmental Assessment can be carried out.

Capping

All Basic Payment Scheme and Voluntary Coupled Support Scheme payments are capped at €600,000; payments over €150,000 will be reduced by 5%. The Scottish Government has the option to make

amendments to capping and may make changes during the transition period.

Greening

Permanent grassland - the area of permanent grassland must be maintained, i.e., the ratio of permanent grassland compared to the total agricultural area declared must not decrease by more than 5%; this is managed at a national level. At the individual farm level, Environmentally Sensitive Grassland Areas must not be converted to arable production.

Applicants must prepare a Nitrogen Fertiliser and Lime Plan detailing how much inorganic nitrogen fertiliser and lime is applied to land parcels that contain permanent grassland (PGRS) or open grazed woodland (WDG). Parcels that also contain areas of arable and/or rough grazing do not need to be included. The plan must be prepared by the 9th of June each year, retained on the farm, and made available on request to any inspector as part of the land inspection or validation of the SAF.

Cross border businesses submitting a BPS/Greening claim for land in Scotland can only meet Greening requirements on land located and claimed in Scotland.

Ecological Focus Areas (EFAs) - businesses with more than 15 hectares of arable land need to ensure that 5% of this land is managed as EFA unless the exemptions below apply:

- Land certified as organic or in organic conversion.
- Businesses where more than 75% of the arable land is used to grow temporary grass, herbaceous forage, leguminous crops, or fallow.
- Businesses where more than 75% of eligible agricultural area is permanent or temporary grass or herbaceous forage.

There are seven EFA options that can be used in Scotland to contribute to farmer's or crofter's EFA commitments. Each option must be located on, adjacent to, or within five metres of arable land and be weighted according to the level of environmental benefit they deliver, see below.

EFA option		Location	Weighting factor	EFA area
Fallow land	(/ha)	On arable land	1	1ha
		On, adjacent to, or within 5m of arable land	1.5	1.5ha
Margins	(/ha)	or contiguous to a claimed EFA option		
Nitrogen-fixing crops	s (/ha)	On arable land	1	1ha
Catch crop	(/ha)	On arable land	0.3	0.3ha
Green cover	(/ha)	On arable land	0.3	0.3ha
Agro-forestry land including small and farm woodlands	(/ha)	Planted on land that is BPS eligible	1	1ha

Hedges – right to claim whole hedge	(/1m)	On, adjacent to or within 5m of arable land or contiguous to a claimed EFA option	10	10m²
Hedges – right to claim half hedge	(/1m)	On, adjacent to or within 5m of arable land or contiguous to a claimed EFA option	5	5m²

Full details on Scottish greening measures and requirements can be found on the rural payments website.

Young Farmer Payment

Under the current Scheme rules, young farmers are entitled to a top-up payment of 25% of the average value of BP entitlements.

To qualify the applicant must be:

A sole trader or head of the farm business and be less than 41 years
of age on 31 December of the first year they apply to the BPS. For
businesses where the young farmer is head of the business, this
means that the applicant is the main shareholder/partner in the
business, takes the majority share of any profits and makes the key
business decisions.

The Young Farmer payment is applied for on the SAF, and evidence of eligibility also needs to be submitted i.e., date of birth, % share of business profits. The payment is limited to having between a minimum of 3 hectares and a maximum of max 90 hectares.

National Reserve

The National Reserve is used to allocate BPS entitlements to eligible:

- Young farmers farmers or crofters who are less than 41 years of age on 31 December in the year of application and are setting up for the first time an agricultural holding as head of the holding.
- New entrants farmers or crofters who started their farming activity in 2013 or later, who have not had any agricultural activity in their own name or at their own risk in the five years before the start of their current farming action.
- Farmers who have suffered a force majeure or exceptional circumstances event that has affected the potential value of their payment entitlements under the Basic Payment Scheme.

There is no paper application for the National Reserve; applications are completed online at the same time as the SAF.

Voluntary Coupled Support (VCS)

The Scottish Government use coupled payments to support the beef and sheep sectors. The Scottish Government have announced that this support will continue until 2028. To claim for coupled payments applicants must complete a SAF each year; the Main Location Code used

in the coupled payments claim forms must be the same as the one on the SAF.

Scottish Suckler Beef Support Scheme - Mainland and Islands (SSBSS)

Payments are made on owned or leased homebred calves that are at least 75% beef bred. The calves must be born on or after 2 December in the year before the claim is made and remain on the holding of birth for at least 30 days. Claims can be made online or by post until 31 December each year. The payment rates for the 2023 scheme year were as follows:

2023	£/calf
Mainland	105.10
Islands	151.24

From 2025 onwards, calves will only be eligible for a SSBSS payment if their dam has a calving interval threshold of 410 days or less. Maiden heifers are exempt from this requirement, their calves will qualify for a SSBSS payment. The calving interval threshold may reduce in future years, but it will not reduce by more than 10 days in any given year.

Scottish Upland Sheep Support Scheme (SUSSS)

To qualify for the scheme, 80% or more of the agricultural land must be in Payment Region 3 and less than 200 ha of the agricultural land must be in Payment Region 1. Payments are made on homebred ewe hoggs that are retained on the holding (including away wintering) from 1st December in the year claimed to 31 March the following year. Ewe hoggs must be less than 12 months old at the start of the retention period. The payment rate for the 2023 scheme year was as follows:

2023	£/hogg
All eligible hoggs	61.38

Claims can be made online or by post between 1 September and 30 November each year.

Rural Development Programme

For 2024, the Scottish Rural Development Programme (SRDP) will continue to be used to enhance the rural economy, support agricultural businesses, protect, and improve the natural environment, address the impact of climate change, and support rural communities up until 2026 with some potential changes being announced in 2025/26 linked to new conditions/new delivery requirements.

Current schemes under the SRDP are detailed in the following pages. Full details of the schemes, including further information on payments rates and application deadlines can be <u>found here</u>.

Fair Work First Conditionality.

Under the Fair Work First conditions introduced by the Scottish Government on the 1st of April 2024, organisations applying for some public sector grants will be required to pay their staff at least the real living wage and also provide appropriate channels to give workers an effective voice.

For the agricultural sector, this conditionality has been in place from the 1st of April for the Forestry Grant Scheme and the Crofting Agricultural Grants Scheme (CAGS). Going forward, where funding is allocated, conditionality will be applied from the opening of the next round of three other schemes:

- Agri-Environment Climate Scheme (AECS)
- Food Processing, Marketing and Co-operation (FPMC)
- Sustainable Agricultural Grant Scheme (SACGS)

Businesses intending to apply for any of these five schemes should read the <u>Fair Work First Guidance</u>.

Less Favoured Area Support Scheme (LFASS)

LFASS is an area-based scheme which can be claimed for on the SAF at the same time as claiming for the BPS. It is paid to applicants who actively farm forage land in the LFA area which has been given a grazing category. The main eligibility criteria include:

- Declaring at least three hectares of eligible land on the SAF.
- Actively farming land declared on the SAF for at least 183 days or periods totalling 183 days in the year of claim.

To count as forage, this land must be available and accessible for use for maintaining livestock or producing a forage crop for at least seven months including 15 May.

The LFASS payment is calculated by adjusting the eligible (claimed) land from the SAF to work out a payable area. This payable area is then multiplied by the payment rate(s) for farmers and crofters fragility area. Providing the eligible area is at least 3 ha, the minimum payment made is £385.

Grazing categories are set based on historical stocking densities for the land being claimed and are fixed. The categories are:

Category	Stocking density (LU/ha)	Hectare value	Stocking	g Density
			Min LU/ha	Max LU/ha
Α	Up to 0.19	0.167	0.09	1.4
В	0.20 - 0.39	0.333	0.15	1.4
С	0.40 - 0.59	0.667	0.30	1.4
D	0.60 or more	0.800	0.45	1.4

An enterprise mix multiplier is used as a way of recognising the environmental benefits of a mixed stocking regime. Hectares claimed are multiplied by 1.35 if at least 10% but less than 50% of livestock units are cattle or by 1.7 if 50% or more of livestock units are cattle.

As well as grazing categories, LFASS payment rates are based on land category. The provisional 2024 payment rates are given below:

Land category	Standard ¹	Fragile ²	Very fragile ³
	payment p	oer adjusted	l hectare (£)
More disadvantaged land (grazing categories A and B)	52.16	62.10	71.35
Less disadvantaged land (grazing categories C and D)	34.12	54.51	63.00

- Standard areas on the mainland with lower transport costs
- Fragile areas on the mainland where there is disadvantage resulting from higher transport costs
- Very fragile areas on islands

An example calculation is shown below for illustrative purposes.

Assumptions:

- Farm in Standard area
- Less disadvantaged land, grazing category D
- 600ha eligible land declared on SAF
- Historic stocking density 0.5 LU/ha, 100% cattle

eli	gible hectares from SAF		600 ha
Χ	hectare value for Cat D	Х	0.80
=	adjusted hectares	=	480 ha
Χ	the enterprise uplift	Х	1.7
=	payable hectares	=	816 ha
Χ	standard less disadvantaged rate	Х	34.12
=	final payment pre deductions	=	£26,242

For further detail see full scheme guidance

Agri-Environment Climate Scheme

The Agri-Environment Climate Scheme (AECS) promotes land management practices which protect and enhance Scotland's magnificent natural heritage, improve water quality, manage flood risk, improve public access, preserve historic sites, and mitigate and adaption to climate change. Most Agri-environment applications require a full Farm Environment Assessment (FEA) covering the entire holding.

For the 2023 Scheme year, the area cap was removed for new applicants applying for conversion to and maintenance of organic land. For the 2024 Scheme year, the Improving Public Access option will not open for applications.

The 2024 application round opened in January 2024 with the targeted support focusing on the Agri-environment, slurry and digestate storage and seeking to double the amount of land under organic management.

Funding for heather cutting, and mechanical treatment of bracken, restoring of drystone or flagstone dykes and pond creation and restoration for wildlife (limited to 2,000m² per application) has been reintroduced, and the option for creation of hedgerows has increased from 500 metres to 1,000 metres per application.

AECS funding cannot be used to support works that you are required to complete as part of a statutory or legislative obligation.

While the grant funding for slurry stores and the Agri Environment Scheme have closed for 2024, the closing date for the Organic Scheme is given below:

Application windows	Opens	Closes
Organic conversion and	1 February 2024	31 July 2024*
maintenance (Stand-alone)		

If part of a single application with Agri-environment management, deadline for applications was the 10th of June 2024.

<u>For further details, see online</u>. Please note that AECS grant applications must comply with the Scottish Government's Fair Work First conditionality.

Forestry Grant Scheme (FGS)

Funding is available for woodland creation, agroforestry, tree health, woodland improvement, sustainable management of forests, harvesting, and processing of forest products, forest infrastructure and co-operation. (Please see Forestry and Farm Woodlands chapter for more details). Please note that FGS grant applications must comply with the Scottish Government's Fair Work First conditionality.

Crofting Agricultural Grant Scheme (CAGS)

This scheme provides grants for crofters to make improvements to their crofts and help to sustain their businesses. Funds can be used for capital projects, such as the construction or improvement of agricultural buildings and for the establishment of Common Grazings Committees. Funding for eligible capital projects can cover all aspects of the project, including the cost of materials, transportation of materials, costs of contractors and own labour. See Crofts & Small Farms chapter for more detail.

Please note that CAGS grant applications must comply with the Scottish Government's Fair Work First conditionality.

Croft House Grant Scheme

This scheme provides grants for crofters to improve and maintain the standards of crofter housing, with the aim of attracting and retaining people within the crofting areas of Scotland. Funding can be used for the

construction of a new house and the rebuilding and improvement of an existing house. See Crofts & Small Farms chapter for more detail.

Please note that Croft House Grant Scheme applications must comply with the Scottish Government's Fair Work First conditionality.

SRDP Farm Advisory Service

The Farm Advisory Service (FAS) provides one-to-one and one-to-many advice and support, aimed at increasing the profitability and sustainability of farms and crofts.

The one-to-one component comprises of:

- Integrated Land Management Plans (ILMPs)
- Specialist Advice plans
- Mentoring of new entrants
- Carbon Audits

Funding of 80% (up to a maximum of £2,000) is available to help cover the costs of the preparation of an ILMP. Additional funds are also available for two specialist advice plans (100% funded up to a maximum grant of £1,600 per plan). Mentoring support is available to those that have set up or become the head of a farming business within the last five years. Applicants need to be registered in Scotland with the Integrated Administration and Control System (IACS) and hold a Business Reference Number (BRN). Mentors will be compensated for up to four days of their time.

Subject to the availability of funds, FAS can fund one carbon audit per year to help businesses assess their carbon footprint and to monitor their progress over time. The grant funding for the first carbon audit is £660 reducing to £330 for any repeat audits. Note: Businesses that have received funding through the Scottish Government's National Test Programme cannot apply for a carbon audit funded by FAS.

The one-to-many component of the FAS delivers innovative and integrated advice to crofters and farmers via:

- Scotland wide events i.e., workshops, network farm meetings, conferences, and training courses.
- Publications i.e., technical notes, newsletters.
- Crofts and small farms subscription service.
- A national advice line which operates between 9am and 5pm Monday to Friday (Tel: 0300 323 0161).

Women in Agriculture

The Scottish Government has committed each year until 2024/25 to support women through implementing the recommendations of the Women in Agriculture Taskforce. Women in Scottish agriculture can access financial support directly for practical skills training, by applying to the Women in Agriculture Practical Training Fund administered by Lantra.

Further information can be found on the Lantra website:

Future Support Payments for Scotland

Following the UK's departure from the EU, the Scottish Government has published its 'Vision for Agriculture'. The Vision outlines the Scottish Government's ambition for Scotland to become a global leader in sustainable and regenerative agriculture, with a support framework for farmers and crofters that delivers high quality food production, climate mitigation and adaptation and nature restoration. The vision sets out the principles and values that will be at the heart of Scotland's future agricultural support regime from 2025 onwards.

The second edition of the Agricultural Reform Route Map sets out what changes recipients of current farm payments will be expected to make from 2025 and beyond. It also sets out the process of changing to a new agricultural support framework from 2026 including important dates, the measures being considered, when current schemes will transition or end, the support available and how to prepare for the changes.

From 2025, farmers and crofters will be required to adopt the following practices to qualify for support payments:

- Develop a 'Whole Farm Plan' which will include soil testing, animal health and welfare declaration, carbon audits, biodiversity audits and supported business planning.
- Where appropriate, provide protections for peatlands and wetlands to help restore these vital habitats to sequester more carbon.
- Under the Scottish Suckler Beef Support Schem, farmers and crofters will have to meet new conditionality in order to seek to cut emission intensity and to make beef production more efficient.

Further information on the Land Management and Change Plan for Scotland is <u>available online</u>.

National Test Programme and Preparing for Sustainable Farming

Post Brexit, the Scottish Government's National Test Programme (NTP) has been developed to support farmers and crofters to play their part in Scotland becoming a global leader in sustainable and regenerative agriculture. The NTP has a twin track approach. Track 1 is to encourage farms to improve their knowledge of current environmental performance and efficiency. Track 2 is to design, test., improve and standardise the tools, support and processes necessary to reward farmers, crofters and land managers for the climate and biodiversity outcomes they deliver.

Preparing for Sustainable Farming (PSF), the first part of this the NT Programme was launched in Spring 2022, aimed at encouraging farmers, crofters, and agricultural contractors to improve their knowledge of current environmental performance and efficiency. For 2024, the Scottish Government will continue to provide support funding for:

- Carbon Audits
- Soil Sampling and Analysis
- Animal Health and Welfare Interventions

<u>Carbon Audits</u>: Businesses with an online Rural Payments and Services (RPS) account can apply for funding up to £500 for a carbon audit, if they do not already have one or it is more than 3 years old. A carbon audit establishes a business's carbon footprint and identifies the sources and quantities of greenhouse gas emissions on farms/crofts and where simple changes can lead to improved efficiency, reduced operating costs and emissions.

Under the guidance notes, the carbon audit must be created using a recognised tool such as SAC's Agricultural Resource Efficiency Calculators (AgRE Calc (©) and be aligned to Publicly Available Specification PAS 2050 standard. The report must have carbon management and emissions mitigation recommendations for the business going forward. Carbon audits must be carried out within the scheme year which runs from 1 January to 1 December with the option to claim up to the end of February the following year.

<u>Soil Sampling & Analysis</u>: Businesses wishing to apply for funding for soil testing will need to have the land included in the current year's Single Application Form (SAF) and must confirm that they have a carbon audit that is less than three years old, and as noted above, using an approved tool that aligns to PAS 2050.

Based on actual costs, funding of up to £30 per hectare for Region 1 land is available for soil testing for pH, phosphate, potash, and carbon. Testing for pH and carbon can be at either sample or land parcel level. Testing for magnesium and trace elements is recommended, but voluntary. Analysis will be paid at cost plus an additional £4 per sample where gathering these is not included in the analysis cost.

Each year, applicants can apply for funding to soil test up to 20 percent of the available Region 1 land on their holding. The maximum will be determined by the SAF claim for the same year. To ensure all suitable farming/crofting businesses can benefit, a minimal soil sampling allowance of £300 will be available to small businesses whose area of Region 1 land means they would otherwise receive less than this amount.

To encourage all applicants to spend time researching best practice for soil sampling and nutrient management, a standard cost 'development' payment of £250 will be paid to eligible businesses during the first soil sampling claim process. Claims in subsequent years will not include a payment for development time.

<u>Animal Health and Welfare Interventions</u>: Under Preparing for Sustainable Farming, the introduction of Animal Health and Welfare Interventions is intended to optimise animal health and welfare, contributing to improved performance, efficiency, and lower emissions per kg of output.

As part of an initiative to encourage livestock keepers in Scotland to improve the health and welfare of their cattle and sheep, farming and crofting businesses with a Business Reference Number (BRN) and a flock/herd number can choose to undertake two interventions from the list below in each year the programme operates.

Bull fertility	Cattle - roundworms	Sheep lameness
Calf respiratory disease	Sheep scab	Sheep – liver fluke
Cattle – Liver fluke	Sheep iceberg diseases	Sheep - roundworms

Year one of the Animal Health and Welfare Intervention initiative opened on 1 January 2023 and closed on 31 December 2023. The second and final year opened on 1 January 2024 and will close on the 31st of December 2024. Claims for year two must be submitted by 28 February 2025.

Based on a payment of £250 per intervention and a 'one-off' Development Activity payment (time spent researching animal health and welfare best practice) of £250, livestock keepers were able to claim up to £750 in the first year and can claim £500 in the second year, giving a maximum of £1,250 per keeper over two years. Keepers who did not claim for funding in year one, will only be eligible for a maximum payment of £750 during the 2024 scheme year.

<u>YourHerdStats</u>: Linked to Preparing for Sustainable Farming, suckler beef producers have access to YourHerdStats, a new online tool within the ScotEID system that will securely present herd management information and highlight opportunities for further improvement. Through existing ScotEID login details, cattle keepers can gain access to a selection of herd performance indicators and trends including:

Calves registered	Cow & heifer efficiency	Stock sale date profiles
Cows calved	Cows retained percentage	Cow & calf mortality

From 2025, new conditions will start to be introduced to help businesses start to lower their emissions, introduce different ways of farming and help to increase efficiency. For up-to-date details on PSF, <u>please see online</u>.

Whole Farm Plans

From 2025, under the Whole Farm Plan initiative which has been designed to help farmers and crofters take a holistic view of their farm/croft in terms of efficiency, sustainability, carbon emissions and biodiversity; the Whole Farm plan will help businesses identify areas for improvement, and to subsequently allow them to assess the effectiveness of the improvements they carried out.

Farmers and crofters who intend to claim Basic Payment Scheme (BPS) will have to demonstrate that by the 15th of May 2025 they:

- have started to review and baseline their current and livestock management practices and,
- are considering any changes required to ensure that their future agricultural activities are sustainable, efficient and resilient.

By the 15th of May 2025, in order to qualify for a Basic Payment, farmers and crofters will have to have in place at least <u>two</u> out of the five baselines. The five baselines and their review periods are:

Audit/Plan Name	Review Period
 Animal Health and Welfare Plan 	Annual
 Integrated Pest Management Plan 	Annual
Biodiversity Audit	Five Yearly
 Carbon Audits 	Five Yearly
 Soil Sampling and Analysis (Region 1 land) 	Five Yearly*

i.e. Every Region 1 field must be sampled once over a 5 year period and from 1 July 2024 must include analysis for soil carbon

Where members of Quality Meat Scotland (QMS), other Quality Assurance Schemes and/or production contracts such as a supermarket or milk company contract are required to have an animal health and welfare plan and/or a carbon audit as part of their membership/contract, these plans will qualify as one of the two baselines requirements as long as they meet the validation criteria in terms of quality and timescale.

While farmers and crofters are free to pick the two audits/plans that they feel would provide their business with the greatest initial benefit; the audits and plans an individual business will be required to carry out will depend on their land classification and the agricultural activity carried out the holding:

- If you keep livestock, you will need an Animal Health and Welfare Plan by 2028.
- If you use pesticides (plant protection products), an Integrated Pest Management audit will be required by 2028.
- If you claim Region 1 land and apply artificial fertilisers and/or organic manures to it, a soil analysis will be required by 2028.
- All claimants will need a Biodiversity audit by 2028.

All claimants will need a carbon audit by 2028.

Please note that each audit/plan shown within the table on the previous page has its own minimum review period.

In 2025, farmers and crofters who intend to claim Basic Payment Scheme (BPS) must:

- check what audits and plans are required for their business.
- by the 15th of May 2025 ensure that they have at least two of the audits and plans relevant to their business in place completed.
- ensure that the audits/plans meet the minimum standard for the Whole Farm Plan.
- Ensure individual audits/plans meet the validity period (see table on the previous page).
- Indicate on their 2025 Single Application Form (SAF) what audits/plans they have.
- Ensure copies of audits/plans can be shared with SGRIPD if required e.g. a biodiversity (audit) habitat map.
- Keep a record of any actions taken based on the information from the audits/plans.
- Complete all the required audits and plans relevant to their business by the 15th of May 2028 at the latest.

From 2025, as part of the on-farm inspection regime, SGRIPD will check that farmers and crofters have the audits and plans that they have indicated that they have on their 2025 SAF and that there are deemed valid (i.e. they meet the minimum standard and validity period).

Nutrient Management Plans which will provide recommendations for crop and grassland will be introduced to the Whole Farm Plan by 2028.

By the 15th of May 2028 at the latest, every farmer and crofter will be required to have carried out all of the Whole Farm audits and plans that are applicable to their business as a condition of receiving Scottish Government Agricultural support payments.

For further details of the Whole Farm Plan and the five baseline initiatives, please see online.

Agricultural Support Package Beyond 2025

The Scottish Government plans to replace the current support measures with a four-tier system:

Tie	er	Aim/Support Focus	
1.	Base	To support active farming and food producers	
2.	Enhanced	For businesses that are high effective in farming for a better climate and/or for nature restoration.	
3.	Elective	Targeted actions to support nature restoration, innovation and the supply chains.	
4.	Complementary	New Skills, Knowledge and Training	

Further information on the proposed four tier support is available online.

England

Direct Payments

In England, the Basic Payment Scheme (BPS), Young Farmer Scheme and the National Reserve closed in 2023.

Delinked Payments

From 2024, 'delinked' payments will replace direct payments previously made under the Basic Payment Scheme. The delinked payments will be made each year from 2024 until 2027.

Eligibility

To be eligible for the delinked payments, farmers and land managers must have been eligible for and claimed for Basic Farm Payments in the 2023 Scheme year, with the exception of eligible land inherited after the 15th of May 2023 (the BPD application deadline). BPS claims for 2023 must have been for at least 5.0 hectares, with 5.0 BPS entitlements in the same BPS region as the land. Farmers and land managers must also have a 'Reference Amount' which will normally be the average BPS payment made during the reference period (2020 through to 2022 BPS scheme years) including any Young Farmer or Greening payment.

As a departure from previous business support schemes, eligible businesses will not need to apply to received delinked payments, they will be made automatically. At the end of 2023, the RPA sent out statements showing the reference amount based on the reference data held by the RPA at the time. The RPA will use this reference amount when they calculate the delinked payments each year.

Land and Entitlements

Farmers and land managers will not need any land or entitlements to receive the new delinked payments. Delinked payments for 2024 to 2027 scheme years will not be affected if a farm size changes, or if a business changes what the land is used for after BPS 2023.

Payment Rates & Progressive Reductions

The delinked payment will be based on the BPS payments received during the reference period 2020-2022. From 2024, the payment received each year will equal the reference amount minus the progressive reductions for that particular year. Payments will be made automatically to eligible businesses and will be made even if the business is no longer farming or occupying land.

Each year, direct payments will be progressively reduced until they are phased out in 2028 as shown in the table below:

Delinked Pa Payment Va	•	Progressive	Reductions from	om the 2020
Payment	Up to	£30,000 -	£50,000 -	More than
Band	£30,000	£50,000	£150,000	£150,000
2024	50%	55%	65%	70%

Different progressive reductions will be applied for years 2025 to 2027 as the delinked payments are gradually phased out. These reductions have not yet been announced.

Timing of Payments

From 2024 onwards, the RPA will make the delinked payments in two instalments – an advance payment of ~50% from 1 August in each scheme each year, with the balancing payments being made from 1 December onwards.

Lump Sum Exit Scheme

The lump sum exit Scheme closed on the 30th of September 2022. The scheme is not expected to re-open in future years. Applicants for the 2022 scheme had until the 31st of May 2024 to provide evidence that they have transferred their owned and/or tenanted agricultural land (unless it is planted in trees under the Woodland Creation Scheme).

If a farmer opted for the Lump Sum Exit Scheme, they will no longer be eligible for BPS or the new Delinked payments on this land unless they opt to repay some or all of the lump sum.

New & Revised Support Schemes for England

Environmental Land Management (ELM) Scheme

From 2022, under the umbrella of the Environmental Land Management (ELM) scheme, previous agricultural support payments have been replaced by three new/revised schemes:

- 1. Sustainable Farming Incentive (SFI)
- 2. Countryside Stewardship (CS)
- 3. Landscape Recovery (LR) Scheme

The three schemes have been developed to achieve the following outcomes:

- bringing soil under sustainable management,
- · reducing agricultural emissions,
- woodland creation,
- halting the decline in species,
- reducing the main agricultural pollutants that enter watercourses,
- restoration of rivers, lakes, and other freshwater habitats,
- increase biodiversity and improve habitats,
- improve water and air quality, and
- improve natural flood management.

All the schemes are voluntary; farmers and land managers can decide whether or not they want to apply and what the right combination of schemes/actions is for their particular setting/business.

Sustainable Farming Incentive

The Sustainable Farming Incentive (SFI) was introduced in 2022 under the Agricultural Transition Plan. The SFI pays farmers and land managers in England to take up or maintain sustainable farming and management practices that:

- protect and benefit the environment
- support food production
- improve productivity

These practices are referred to as SFI 'Actions'

Eligibility & Duration of SFI Agreements

You can apply for a SFI agreement if:

- you are a farmer or land manager with 'management control of the land or landscape feature you want to enter into an agreement and will have management control of the land for the duration of the selected SFI action/s.
- Your land or landscape feature is eligible for the SFI actions you select.

You will be deemed not to have management control if you are:

- A landlord, as you are not actively farming or managing the land.
- A licensee who only has access to the land under a licence agreement.

Land or landscape features will be eligible for SFI actions if:

- The area or feature is in a land parcel that is entirely located in England.
- The area is an eligible land type details of this are set out in each action
- The area is registered on the business's digital maps with an eligible land cover with a compatible land use code – details of this are set out in each action.
- The feature, such as hedgerows is eligible for each linear or feature based SFI action selected – details of this are set out in each action.

You cannot enter land or a landscape feature into your SFI agreement if it is being used for another SFI action, Countryside Stewardship (CS), Environmental Stewardship (ES) Scheme or SFI pilot standard that:

- Requires activities which are not compatible with the SFI actions you select and/or
- Means you will be paid twice for a similar activity on the same area of land at the same time (known as double funding).

Generally, SFI agreements are for 3-5 years.

SFI Actions

The SFI actions can be either:

Rotational	You can move the actions to different areas of the farm throughout the agreement.
Static	You must carry out these actions in the same location each year.
Agreement-level	These actions must cover all the relevant areas of the farm.
Limited Area	These actions must not cover more than 25% of the total agricultural area of the farm.

It is possible to add in additional actions to an existing SFI agreement annually, so you could, if you wish, add in additional land parcels or new actions as they become available in subsequent years.

SFI Expanded Offer

For 2024, from the 22nd of July, the SFI 'Expanded Offer' will be open for applications. The offer includes existing actions from SFI and CS schemes new actions that will be accessed via a single online applications service. The 2024 Scheme will have 102 available actions including new actions for uplands, precision farming, agro-forestry and climate resilience. Over 50 simplified CS options have been added, with shorter agreements that offer more flexibility.

Appropriate actions for individual businesses can be identified using the digital tool which is <u>available online</u>.

- Later in 2024, Defra will introduce: An educational access action, which will provide funding for educational tours of your farm or woodland.
- More endorsed SFI actions for farmland wildlife and habitats on grassland, heritage, wood pasture, orchards, coastal habitats and waterbodies.

Applying for a SFI Agreement

Before applying to the scheme, it is important to read the scheme guidance, to check the eligibility criteria and to ensure that all land details are up to date. The voluntary Guidance within the scheme provides details on how to carry out each action.

To apply for an SFI agreement, applicants are required to sign into the Rural Payments Service at https://www.ruralpayments.service.gov.uk

Payment Rates & Timing

The payment rates for the each of the SFI actions for 2024 are given in the 'Sustainable Farming incentive (SFI) Handbook for the SFI Expanded Offer for 2024 offer' which is available to download on the gov.uk website.

SFI Management Payment

The payment rates are the same for farms in upland and lowland areas. The 2024 scheme includes a 'Management Payment' of:

- £40 per hectare for the first 50 hectares to cover participation costs for the first year of the scheme.
- £20 per ha in years 2 and 3.
- £7 per ha for common or shared land as part of a group agreement for groups of two or more.

To provide a reliable income, automatic payments will be scheduled quarterly. The first quarterly instalment will be paid in the fourth month following the SFI Agreement start date. A declaration must be submitted each year in order to receive the fourth instalment.

For further details of the Sustainable Farming Incentive scheme terms and conditions, <u>please see online</u>.

Animal Health and Welfare Review

The SFI Annual Health and Welfare Review is available to farmers who keep cattle, sheep and pigs and provides funding for farm visits to:

- Reduce endemic disease and conditions*
- Increase animal productivity
- Improve animal welfare.

* At the time of writing (June 2024), endemic disease follow up is not yet available for dairy cattle.

The current funding available is:

Species	Animal Health & Welfare Review	Endemic Disease Follow- up
Beef Cattle	£522	£837 if the review is positive £215 if the review is negative
Sheep	£436	£639
Pigs	£557	£923
Dairy Cattle	£372	N/A

The review is flexible, the farmers and their vet can decide what the health and welfare priorities are for the farm and to focus on these. Each review only covers one type of eligible animal. the priorities. For further information, please see online.

Countryside Stewardship Scheme

The Countryside Stewardship scheme provides income to farmers and land managers who deliver environmental benefits on their land, including increasing biodiversity, improving habitats for wildlife, pollinator plots, expanding woodland areas, improving air and water quality, and improving natural flood management.

For 2024, the Countryside Stewardship scheme is made up of eight grants, managed by the Rural Payments Agency. The scheme has two tiers:

Mid-Tier

The Mid-Tier provides funding for a range of options and capital items that will deliver a broad range of environmental benefits, for example protecting and enhancing the natural environment and the diversity of wildlife and water quality. For Mid-Tier agreements starting from 1st January 2024, applicants now have three years to complete their chosen capital works. Further scheme guidance can be found online.

Higher Tier

The Higher Tier provides multi-year and capital grant funding for more complex land in environmentally significant sites, commons, or woodlands which require support from Natural England, Historic England or the Forestry Commission. The 2024 application window will open during the winter, with the first agreements starting from early 2025 and will stay open throughout the year.

If you have a Countryside Stewardship (CS) or Higher-Level Stewardship (HLS) agreement, you can close your agreement early to apply for a Sustainable Farming Incentive or CS High Tier agreement.

Further scheme guidance can be found online.

Woodland Support Grants

- The Woodland Management Plan grant.
- Woodland Tree Health grant.

Woodland Support grants are available through the Countryside Management Scheme. The 2024 application round opened on the 3rd of January. Applications will be accepted all year round.

The Woodland Management Plan grant is for financial support to produce a woodland management plan that meets UK Forestry Standard requirements. The plan must cover a minimum of 10 years.

The Woodland Tree Health grant provides one-off payments towards the cost of:

- restocking woodland after a tree health problem.
- felling diseased trees or rhododendron control.

Protection and Infrastructure grants

Protection and Infrastructure grants are for capital items that support improving the management of woodland and for managing the impact of beaver behaviours. Applications for Protection and Infrastructure grants are accepted all year round. The 2024 scheme year opened on the 3rd of January 2024.

Further scheme guidance can be found online:

Capital Grants

Countryside Stewardship Capital grants are available as part of a revenue agreement (Mid-Tier and High-Tier) and/or as a standalone Capital Grant agreement. While applications for Countryside Stewardship Scheme Capital Grants are accepted all year round; applications will remain open until the funding is allocated. The 2024 scheme year opened on the 3rd of January 2024.

For 2024, there is no limit to the value of capital items that can be included in each of these groups:

- Boundaries, Trees, and Orchards
- Water Quality
- Air Quality
- Natural Flood management

For agreements starting from 1st January 2025, applicants now have 3 years to complete the capital works.

Further Capital grant scheme guidance can be found online.

Farming Equipment and Technology Fund (FETF)

This fund provides grants for specific items of equipment and technology for farming, horticultural and forestry businesses. For 2024, the Farming

Equipment and Technology Fund (FETF) scheme was split into three themes:

- Improving productivity
- Managing slurry

Improving animal health and welfare

Grants are competitive with up to £50,000 of grant funding towards productivity and slurry items and up to £25,000 towards animal health and welfare items. . Businesses can apply to one or both themes. In future, there may be a cap added for the total grant that can be claimed in one year.

The scheme guidance notes provide details of the expected cost of specific items of equipment and states the corresponding amount of grant being offered. Additional grant aid will not be paid if the actual cost of an item is greater than the value listed in the guidance notes.

The 2024 application period for the productivity and slurry grants ended on the 17th of April 2024 and the application period for the animal health and welfare grants ended on the 1st of May 2024.

For further details of each theme, the specific conditions of the grant and the respective application periods, please see online.

Farming in Protected Landscapes

This funding is available to farmers and land managers in England within an Area of Outstanding Natural Beauty, a National Park, or the Broads. Eligible projects must be designed to:

- Support nature recovery
- Mitigate the impacts of climate change
- Provide opportunities for people to discover nature
- Protect or improve the quality and character of the landscape

The Farming in Protected Landscape scheme is open all year round for applications and is administered through local protected landscape bodies. All projects must be completed by the end of March 2025. Competitive funding of up to 100% of the costs are available for eligible projects if the applicant will not make a commercial gain from it. If there will be an element of commercial gain, funding offered will be tailored according to how much the funding will benefit the business. For further details, please see online.

Wales

Direct Payments

Following the UK's departure from the EU, 2025 will be the final scheme year for the Basic Payment Scheme, Redistributive Payment Scheme, Young Farmer Scheme, and the National Reserve. The 2024 payment of the Basic Payment Scheme (BPS) will serve as the index for payments during the transition to the new Sustainable Farming Scheme.

The BPS year runs from the 1st of January to the 31st of December. For businesses claiming BPS, supporting documents need to be submitted by the 31st of December 2024. No payment (including BPS Advance Payment) will be made until evidence has been provided that an agricultural activity has been undertaken in 2024. The same deadline applies for submitting supporting documents for the Organic Conversion and for Organic Support. Businesses must inform the Welsh Government of any land transfers or changes to land parcels within 30 days of the change(s) taking place.

For eligible businesses and where all necessary documentation has been submitted, the Welsh Government intend to make an Advance Payment for BPS from the 14th of October 2024 of up to 70% of the value of the BPS 2024 claim. Balancing payments will be made from the 12th of December 2024 onwards.

Under domestic Rural Development legislation, financed by the Welsh Government, a set of Rural Investment Schemes have been developed to support the transition to the Sustainable Farming Scheme:

- Habitat Wales Scheme (HWS)
- The Organic Conversion Scheme (OSC)
- Organic Support (OS)
- Coetiroedd Bach (Tiny Forests)
- Small Business Grants Schemes
- Woodland Creation and Woodland Creation Planning Scheme
- Management Investment Scheme Food Business Accelerator Scheme
- Horticulture Development Scheme
- Growing for the Environment (Autumn sowing)
- Agricultural Diversification Scheme

For further details of the direct payment schemes and application dates please view online.

Future Support Payments for Wales

Agri-Environment Schemes

Under the Rural Development Programme (RDP) for Wales, all remaining Glastir Entry, Advanced, Commons and Glastir Organic contracts ended on the 31^{st of} December 2023. No further claims can be made under these schemes.

The Small Grants – Environment is a stand-alone scheme providing a maximum of £7,500 per funding window for capital works. Set lists of capital works are available to support the delivery of beneficial environmental outcomes under the following three themes:

- Carbon
- Water
- Landscape and Pollinators

The application period for Small Grant Environment – Carbon closes on the 28th of July 2024. A further application window for the Small Grants – Environment is planned for later in the year.

The Growing for the Environment (Autumn sowing) Scheme offers a maximum grant of £5,000 to support the establishment of an unsprayed cover crop following autumn harvesting of cereals or maize where soil, after harvesting is ordinarily left bare/stubble retained. The next application window closes on the 12th of July 2024.

The Woodland Creation Planning Scheme provides a grant for a Registered Woodland Planner to provide advice and to write a woodland creation plan. Once the plan has been written, businesses can apply for a Woodland Creation grant. The 2024 application period for the Woodland Creation scheme ends on the 22nd of November 2024 or until the allocated budget has been committed. Selection is undertaken monthly.

The Small Grant Woodland Creation Grant Scheme is for tree planting schemes which are less than 2ha and offers support for planting only on eligible land which is included in the low sensitivity area shown on the Woodland Opportunities Map (WOM) which <u>can be viewed online</u>. pplication dates are available on the <u>Welsh Government website</u>.

Sustainable Farming Scheme

Following a further consultation period in March 2024, the Welsh Government is now planning to launch their new Sustainable Farming Scheme in 2026. This Scheme will be the main source of future Government support for farmers in Wales; the transition period for which will begin on 1 April 2025 and end on 31 March 2029.

The Sustainable Farming Scheme (SFS) will serve as the primary source of Government support for farmers in Wales. The Scheme will reward farmers for actions that align with the Sustainable Land Management

(SLM) Objectives set out in The Agriculture (Wales) Act 2023. These are:

- To produce food in a sustainable manner
- To mitigate and adapt to climate change
- To maintain and enhance the resilience of ecosystems and the benefits they provide
- To conserve and enhance the countryside and cultural resources and promote public access to and engage with then, and to sustain the Welsh language and promote and facilitate its use.

The new support scheme will be primarily designed to meet the objectives of Sustainable Land Management (SLM) through encouraging sustainable food production, improving the resilience of agricultural businesses, addressing biodiversity loss, mitigating, and adapting to climate change, hitting clean air and water targets, and enhancing access and public engagement linked to health and well-being. Future payments will be linked to good farming practice, protecting/enhancing the environment, wildlife, and the Welsh scenery.

The Sustainable Farming Scheme is expected to have three layers:

- Universal Actions (UA) will be mandatory for everyone joining the scheme. Businesses need to carry out these actions to receive the Universal Baseline Payment. These will be introduced in 2025. Proposed actions include benchmarking, continuous personal development, soil health, pest management, multi-species cover crops, environmental aspects including habitat management and managing heavily modified peatland, animal health and welfare, and good farm biosecurity.
- Optional Actions targeted at specific land or landscape feature issues.
- **Collaborative Options** aimed at delivering greater benefits that could be achieved by the sum of individual parts.

The Optional and Collaborative Actions will be introduced over the Transitional Period.

It is also being proposed that under the Scheme rules:

- At least 10% of each farm is actively managed as habitat for the benefit of wildlife alongside the production of food. Field scale species rich grassland will count towards the 10% requirement.
- At minimum of 10% tree cover as woodland or individual trees by 2030. Orchard trees and agroforestry systems will count towards the 10% minimum.

If a business does not have the 10% habitat needed to meet the scheme requirement, businesses can create new temporary habitat features on improved land, such as mixed leys or fallow crop margins.

For the minimum 10% tree cover requirement, areas unsuitable for tree planting linked to land classification, important ornithological habitats, peatlands etc. will be excluded from the total farm area before the 10% requirement is calculated. The 10% requirement will be updated annually to reflect changes in land ownership/tenure. If a business cannot meet the 10% minimum requirement, new plantings will be required to meet the 2030 deadline. Special dispensations will be granted for tenants who cannot comply due to their tenancy agreements.

Young Farmers/New Entrants - the Scheme is being developed intentionally to remove some existing barriers for new entrants to gain support; the scheme will not include a need for entitlements, quotas or payment rates based on previous reference periods.

For the Universal and Optional layers of the scheme, the farmer must undertake agricultural or ancillary activities on agricultural land and have a minimum 3ha of eligible land or the farmer/business will need to demonstrate more than 550 standard labour hours.

Businesses will be required to complete a carbon assessment (carbon calculator) within the first year of joining the Scheme.

The Scheme will also be underpinned by bringing together agricultural legislation to create a set of National Minimum Standards. The Standards will initially be based on the existing legislation which underpins Cross Compliance requirements.

Support will be provided through training and farmer-to-farmer knowledge sharing and innovation. This will be provided through a new Farming Connect programme including a re-designed advisory service to ensure that the advice provided to farmers meets future needs.

For further information, please see online.

Northern Ireland

Direct Payments

The Department of Agriculture, Environment & Rural Affairs, Northern Ireland (DAERA) offers payments to farm businesses through 'Area-Based Schemes (ABS) based on the land they farm, or actions they take on their land. ABS for 2024 included the Basic Payment Scheme (BPS), Young Farmers' Payment, Regional Reserve, and the Protein Crops Scheme.

For further details of the Area Based Schemes, please view online.

While the current Basic Payment support system will continue to operate in 2024 with the existing land eligibility and cross compliance conditions; new schemes will be introduced from 2025 onwards.

Future Support Payments for Northern Ireland

From 2025 onwards, new support schemes will be introduced aimed at delivering four key outcomes:

- Increased productivity,
- Environmental sustainability,
- · Improved resilience, and
- · An effective functioning supply chain.

New Schemes being introduced will include the following:

Farm Sustainability Payment

It is planned that the new Farm Sustainability Transition Payment (FSTP) will be launched in 2025 together with new eligibility conditions. From 2025, farm businesses will need to activate five entitlements on a minimum of 5 ha of eligible land to meet the requirements of the Farm Sustainability Transition Payment, and from 2026, to meet the requirements of the Farm Sustainability Payment.

They will also be required to show activity in the two reference years, 2020 and 2021. Activity is defined as growing a crop or keeping livestock. Farm businesses that solely produced grass/grass silage and/or maintained land suitable for grazing or cultivation but undertook no further agricultural activity during the entire two-year historic reference period (2020 and 2021) will not be eligible to claim the Farm Sustainability Payment.

There will not be a system for leasing entitlements so inactive farmers will need to sell their BPS entitlements before the closure of the entitlement trading window in May 2025, otherwise they will cease to have a value.

With the planned introduction of a new Farm Sustainability Transition Payment in 2025, Basic Payment Scheme entitlements will expire and will be replaced with Farm Sustainability Payment entitlements.

Payments will be progressively capped above £60,000 per farm business. The anticipated reductions are:

Payment Band	Percentage Reduction %
£0-£60,000	0
£60,000 - £80,000	20
£80,000 - £100,000	40
£100,000 - £150,000	60
£150,000 - £190,000	80

To be eligible for the new Farm Sustainability Payment, farmers must participate in the new **Soil Nutrient Health Scheme (SNHS)** which will provide farmers with a clear understanding of the soil nutrients in each field, which in turn, will help farmers to develop a Nutrient Management Plan to help achieve, and maintain, good soil health and nutrient status. As part of the Soil Nutrient Health Scheme, farmers and land managers will be required to complete training being offered by the College of Agriculture, Food and Rural Enterprise (CAFRE). This scheme is being rolled out on a zonal basis. Zone 1 farms should have received a final report with a full set of results for each farm, Zone 2 sampling is underway, and Zone 3 of the scheme will be open for online registrations from June through to August 2024.

The **Beef Sustainability Package** will be made up of two elements; A Beef Carbon Reduction Scheme and a Suckler Cow Scheme aimed at improving productivity and profitability, resilience and reducing greenhouse (GHG) emissions.

The **Beef Carbon Reduction Scheme** opened on the 1st of January 2024. The scheme incentivises farm businesses to reduce the slaughter ages of clean beef cattle over a 4 year phased implementation period.

Year of the Scheme	Maximum Age at Slaughter
1	30 months
2	28 months
3	27 months
4	26 months

At present, there is no minimum slaughter age for the Beef Carbon Reduction Scheme.

Clean beef animals finished at, or below, the target age for the given year of the Scheme will receive a payment of £75 for each eligible animal slaughtered. To be eligible, beef animals must be born and bred in Northern Ireland and registered on the Northern Ireland Food Animal Information System (NIFAIS). They must have been kept within a herd associated to that farm business (on NIFAIS) for at least 60 days (continuously) within the last 100 days before the date of slaughter. Businesses must be eligible for BPS (2024); or from 2025, the new Farm Sustainability Payment.

There is a ceiling limit of 352,000 eligible animals, in total for all eligible businesses to ensure that the Scheme is production limiting. Payments will be capped at 352,000 animals per year. To prevent the ceiling being breached, the number of animals each farm business will receive payments for in any one year may be proportionately reduced.

The **Sucker Cow Scheme** is planned to open in early 2025. The Scheme has been devised to incentivise farm businesses to reduce the age at first calving and/or the calving interval of beef breed sucker cows over a four year implementation period. To qualify for payments under the scheme, the following maximum ages at first calving for heifers and maximum calving interval for suckler cows are:

Year of the Scheme	Heifers - Maximum Age at 1st Calving
1	34 months
2	32 months
3	30 months
4	29 months

Year of the Scheme	Cows - Maximum Calving Interval
1	415 days
2	405 days
3	395 days
4	385 days

To be eligible for payment, businesses must be eligible for BPS (2024) or from 2025, the new Farm Sustainability Payment. Payment will be limited to live calves registered on NIFAIS and a quantitative limit will be set at individual farm level.

A Ruminant Genetics Programme is being introduced to help drive improvements in productivity and environmental performance in the ruminant livestock sectors. The first phase of this programme will provide farmers with data and evidence to make better informed decisions to advance gain in dairy and beef animals. Training will also be provided by CAFRE to assist the industry to maximise the benefits of this programme. At the time of writing (June 2024), there is no specific programme for the sheep sector.

The Farming with Nature (FWN) Package will be open to all land managers with a minimum of 3 ha of eligible agricultural land who meet the scheme requirements, including compliance with the new Farm Sustainability Standards and participation in the Soil Nutrient Health Scheme.

Farming for Carbon will focus on actions to reduce carbon emissions and, by association, other emissions on farms and to offset these emissions through carbon sequestration.

The Carbon Footprinting Project will begin in Autumn 2024, with the first carbon reports to be with farmers shortly thereafter. The project is initially being rolled out in Year 1 and 2 of the Scheme to 11,200 members of the NI Beef and Lamb Quality Assurance Scheme (FQAS). Thereafter, the project will be rolled out to all remaining businesses. Under Section 19 (2) of the Climate Change (NI) Act 2022, the carbon audits will be fully funded.

The **Horticulture Sector Growth Support Scheme** is planned to commence in Autmn 2024 with the establishment of Subsector Growth Groups, along with a Growers Academy. An Innovation Support Scheme is planned for Autumn 2025.

The **Farming for Generations Pilot Scheme** is planned to commence in Autumn 2024 and will support farm businesses in planning for a timely and orderly transfer to a new generation. The Scheme is aimed at encouraging longer term planning for succession, development of the successor/successors and to maintain support for both generations including knowledge and skills development.

Further schemes and support measures will be introduced in due course with regards capital investment, knowledge transfer, innovation, and the development of supply chain measures.

For further details of the proposed new schemes, please see online.

Cross Compliance - Scotland

To receive support payments Statutory Management Requirements (SMRs) and Good Agricultural and Environmental Condition (GAEC) standards must be met; together they are known as "Cross Compliance."

Under the current regulations, the following SMRs apply in:

Environment and climate change

SMR 1 Nitrate Vulnerable Zones (NVZ)
 SMR 2 Conservation of wild birds
 SMR 3 Conservation of flora and fauna

Public health, animal health and plant health

SMR 4 Food and feed law SMR 5 Restrictions on the use of substances having hormonal or thyrostatic action and beta-agonists in farm animals SMR₆ Pig identification and registration Cattle identification and registration SMR 7 Sheep and goat identification SMR 8 SMR 9 Prevention and control of transmissible spongiform encephalopathies (TSEs) **SMR 10** Restriction on the use of plant protection products

Animal welfare

- SMR 11 Welfare of calvesSMR 12 Welfare of pigs
- **SMR 13** Welfare of farmed animals

The GAEC requirements are as follows:

- GAEC 1 Buffer strips along watercourses
 GAEC 2 Abstraction of water for irrigation
 GAEC 3 Protection of groundwater agains
- GAEC 3 Protection of groundwater against pollution
- GAEC 4 Minimum soil cover
- **GAEC 5** Minimum land management reflecting site specific condition to limit erosion
- GAEC 6 Maintenance of soil organic matter GAEC 7 Retention of landscape features

From 2025, new cross compliance conditions will be introduced. These are new peatland and wetland standards which will be added to GAEC 6 – Maintenance of soil organic matter. These standards will prohibit a range of activities from being carried out on peatland and wetland areas and include:

- Ploughing and cultivation; new drainage and maintenance of existing drainage systems that causes further drying out of peatland.
- Activities that cause damage to vegetation exposing the soil.

This will apply to land with peat soils more than 50cm in depth with a near vegetative cover and also to wetland habitats.

For further information on SMR and GAEC, please see online:

England:

As part of the ongoing changes to support payments, Cross Compliance ended on the 31st of December 2023. New regulations to protect the environment and animal health and welfare came into force on the 1st of January 2024. Details of the new regulations can be found online.

Wales:

The 2024 cross compliance regulations for Wales can be found online.

Northern Ireland:

The 2024 cross compliance regulations for Northern Ireland <u>can be</u> <u>found online</u>.