News Release

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*For Immediate Use*

**SFI rewards are there for the taking if you know how**

Following a recent report which shows that less than half of respondents have taken up the Sustainable Farming Incentive (SFI), rural experts are calling on farmers to take full advantage of public funding opportunities while they are on offer to bolster their businesses during and beyond the transition period.

In a sentiments survey by Knight Frank’s Rural division, which specialises in land management, only 46% of respondents had signed up to the SFI, though 87% are farming in a more nature friendly way.

The survey, which captures the current trends and influences in land management for Knight Frank’s annual state-of-the-nation Rural Report, shows that the barriers to uptake are the money involved in change, not wanting to reduce food production and the options being unclear in some cases.

“From our experience, the full potential of SFI has yet to be realised because many farmers harbour preconceptions from past environmental programmes that discourage them from taking part,” says Henry Clemons, Associate and Agricultural Consultant at Knight Frank.

“The expanded SFI however has 102 options to choose from as well as flexibility around which actions to take and how much land to include in the SFI agreement. What’s also attractive is that the SFI commitment can be a minimum of three years and has less severe prescriptions than previous schemes so it’s an opportunity to try different systems and see what works.”

This creates plenty of opportunity to complement the farming systems and aspirations of most arable and livestock businesses, explains Mr Clemons, who specialises in private and public sector grant funding solutions for rural businesses across the UK.

“If you combine the SFI with the capital grants available, which can be more complex to apply for but can make a real difference, farmers will be able to replace a significant amount of the BPS. There’s also a real danger that, if the money is not spent, we will be returning another £100m to the Treasury as is currently being proposed.”

Almost 40% of the survey respondents are looking at adopting regenerative farming techniques, and Mr Clemons advises SFI options, for example, no-till farming and cutting out insecticide use are valuable as they can help de-risk the transition from conventional farming systems.

With 80% saying food production was ‘very important’, Mr Clemons reminds farmers that many of the options involve less productive areas such as field margins, headlands, watercourse buffers and the areas around in-field trees, so the impact of adopting them on overall yields and profit should be minimal - while boosting biodiversity to attract the incentives.

“Although there are still a few niggles for Defra to iron out, we’re urging farmers to take advantage as it’s an excellent tool that offers versatility,” advises Mr Clemons. “Each action contains advice to help the applicant deliver the required actions There’s not one glove that fits all and it’s a matter of layering the different SFI actions to do what’s right for each individual business and this is where we can help. We’ve seen it really make a difference to some farming businesses.”

One example of this is a 1,260-acre mixed farm near Thirsk in North Yorkshire, which has changed from a struggling unit to a viable enterprise by leveraging £60,000 each year in environmental support and grant payments with the help of Knight Frank.

“We worked with the farm owners to identify 12 options that fitted in with their current farming system or that they were planning to do anyway, including low-input permanent grassland and hedgerow management,’ explains Sally Britton, Associate with Knight Frank and grant, natural capital and diversification specialist. “This is generating an annual income of £50,000 and we’re now looking at additional SFI options focusing on soil health that could provide a further £10,000 each year.”

While navigating the options available as part of the SFI takes a bit of time and patience, the scheme itself is relatively user-friendly, says Mrs Britton. Capital grants, however, can be more complex.

“The capital funding is to promote farming in a more nature-friendly way and could include buying a direct seed drill to help transition towards regenerative agriculture, or woodland creation or peatland restoration, for example. Many of the grants on offer seem generous, with hundreds of thousands of pounds up for grabs, but claiming them requires plenty of forward planning. Scheme opening dates can be announced with little notice, application windows can be relatively narrow, and the level of detail required is often significant.”

Knight Frank, which now has 23 people in its rural team and has worked on schemes up to £5.5Mn, helped the farm to secure capital grants to fund new fencing, hedges, a concrete yard, a new track, and pipework to new water troughs to the sum of nearly £249,000 which will significantly improve the infrastructure of the farm and how it operates.

“Although not all these capital payments were dedicated to nature recovery, creating a more sustainable business is a crucial step towards helping the environment – it’s hard to go green if you’re in the red and this is something policymakers need to recognise when designing schemes.”

With the new Labour government in place and making its own plans and policies, Mr Clemons notes that the environmental agenda seems to have gone quieter but says it’s a good time for farming businesses to take stock and ensure they are well placed to cope with the challenges and benefit from the opportunities as they come down the line:

“The environmental problem is not going away, and there’s recognition of the role farming can play in helping mitigate the world’s climate crisis. It’s important to continue to build a business strategy through both an environmental and a financial lens, and for the next two years at least, the money is there, and farmers should seek to maximise it to benefit the future of their business.”

**/ENDS**

***SFI and Capital Grant case study: 1260-acre mixed farm, Yorkshire***

One of the most rewarding aspects of our role is when we can use support payments and grant funding to really make a difference for our clients. There are so many options available, so it is always a bespoke process, and we take the time to carefully listen and match the needs of the business we are helping with the available payments.

The extra income we were able to achieve from environmental payments has helped return one struggling Yorkshire mixed farm to a viable business.   Working with the owners of a 1,260-acre farm, we identified 12 options under the mid-tier of the Countryside Stewardship Scheme (now incorporated into SFI), including low-input permanent grassland and hedgerow management, that fitted in with their current farming system or were things they had planned to do anyway.

In total, the options we identified generate an annual income of £50,000 and we are now looking at additional SFI options that could provide a further £10,000 focussing on soil health each year.

By gaining a full understanding of the business, we have designed a Countryside Stewardship agreement that generated total revenue for the client of £250,000 over 10 years, capital grants of £260,000 and, in addition, a minimum SFI income of £10,000 per year.

Capital

While navigating the options available as part of the SFI takes a bit of time and patience, the scheme itself is relatively user-friendly. But when it comes to capital grants, of which there are a multitude currently on offer to farming and rural businesses, including the Higher-Tier and Landscape Recovery Scheme elements of Elms, things can become much more involved.

There is capital funding available that can help you farm in a more nature-friendly way. This could include funding the purchase of a direct seed drill to help with the transition towards regenerative agriculture, woodland creation and peatland restoration if you are in the uplands.

In addition to the annual management options mentioned earlier, we were able to identify capital grants to fund new fencing, hedges, a concrete yard, a new track, and pipework to new water troughs that came to nearly £249,000 and will significantly improve the infrastructure of the farm and how it operates.

Although not all these capital payments were dedicated to nature recovery, creating a more sustainable business is a crucial step towards helping the environment – it’s hard to go green if you’re in the red and this is something policymakers need to recognise when designing schemes.

Many of the grants on offer seem generous, with hundreds of thousands of pounds up for grabs, but claiming them requires plenty of forward planning. Scheme opening dates can be announced with little notice, application windows can be relatively narrow, and the level of detail required is often significant.

That’s not to say capital grants aren’t worth considering. They have made a huge difference for many of our clients and are really helping nature to recover, but you do need to allow plenty of time, effort and resources to make the most of them. And that’s where we can help.

**Notes to Editors**

Knight Frank LLP is the leading independent global property consultancy, serving as our clients’ partners in property for more than 125 years. Headquartered in London, Knight Frank has 27,000+ people operating from 740+ offices across 50 territories. The Group advises clients ranging from individual owners and buyers to major developers, investors and corporate tenants. For further information about the Firm, please visit knightfrank.com

Relevant survey highlights:

Just over 80% felt it was “very important” for them to produce food, compared with generating renewable energy (30%), delivering climate change mitigation (37%) and creating more biodiversity (41%).