

Rural Insight

August 2026



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English Update

Capital grants 2026

Capital grants opened on the 30th July and is very competitive. As of the 1st August, 75% of the budget has already been allocated. The round will close once the £225 million of funding has been allocated. DEFRA has said it will aim to provide reasonable notice before the offer closes. Funding limits will remain the same as previous rounds, with a maximum of

- £25,000 for water quality,
- £25,000 air quality,
- £25,000 natural flood management,
- £35,000 for boundaries, trees and orchards.

A full list of options available and guidance can be found [here](#).

Delinked Payments 2026

From 1 August, eligible customers will receive a single delinked payment. Payments are reduced by 98% on the first £30,000 and by 100% on any amount above £30,000, with a maximum payment of £600 per business.

Farming Innovation Programme (FIP)

Feasibility Studies (Round 5) opened on the 15th July 2026 for testing early-stage solutions with the potential to improve the sustainability, productivity and resilience of UK farming. The grant supports projects costing £200,000 to £500,000. Applications close on the **9th September 2026**.

Biodiversity Net Gain Changes

Developments under 0.2ha will no longer need to carry out BNG from the 6th August 2026. This is great news for on-farm developments such as agricultural buildings.

Sustainable Farming Incentive 2026

The first window of the SFI 2026 launched on the 30th June for applications from farm businesses without any existing environmental schemes or less than 50 ha. The budget allocation was £60 million. DEFRA reported 86% of the budget was allocated on the 23rd July. If you are eligible for this window, it is highly recommended that you speak with your local ARC as soon as possible.

In September, window 2 will open for all eligible farm business of any size that was registered with the RPA by 1 January 2026, and the SFI had a minimum of 3 ha of agricultural land. The budget allocation for window 2 is £180 million. If you have an SFI agreement ending in February 2027 or Countryside Stewardship Mid-Tier agreement ending in 2026 you can also apply in the September window before your agreement has expired.

As a reminder, the key SFI 2026 information includes:

- Agreements will be capped at £100,000 per year per farm business.
- A farm business can have only one SFI 26 agreement.
- Rotational actions will not be able to increase the area beyond what is applied for in year 1. Each year you can increase / decrease the area to fit your crop rotation but not above the area entered in year 1.



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Stewardship option guidance

AB5/AHW5 Nesting plots for lapwing and stone curlew

Cultivated areas can be sprayed off, cultivated and sown with mustard/turnips to provide extra partridge holding cover.

AB6/AHW7 Enhanced overwinter stubble

From the 1st August these areas can be sprayed off and returned to the crop rotation from the 15th August.

AB8 / IPM2 / CIPM2

Margins and plots can be cut from the 15th August

AB14/AHW10 Harvested low input cereal

Can be harvested after the 15th July.

AB15 / NUM3 / CNUM3

Establish legume fallow mixes as soon as possible, ideally by the end of August.

AB16 / AHW1 / CAHW1 Bumble bird mix

Establish mixes as soon as possible, ideally by the end of August but need to be sown by 15th September.

GS2 / LIG1 / LIG2 / LIG3 / CLIG3 Manage grassland with very low inputs

From the 1st July, you can now cut for hay or silage, as long as you do not disturb nesting birds.

IGL3 / CIGL3 - 4m–12m Grass buffer strip on improved grassland

Remember to leave buffer strips if you are grazing or foraging grassland.

GS1 / IGL1 / CIGL1 – Take grassland corners or blocks out of management

Remember you must not cut or graze these areas.

SW1 / AHL4 – 4-6m buffer on cultivated land

You can cut between 1-3m of the strip next to the crop edge after 15th July.

SW3 / WBD3 – In-field grass strip

You can cut the entire area after 15th July.



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SW4 / BFS1 / AHL4 12-24m buffer

You can cut the 6m next to the crop should be cut after 15th July.

SOH3 – Multi-species summer sown cover crop

A multi-species cover crop with at least 4 species, 2 from 2 or more different plant families must be established by the end of August which will not be harvested as a cash crop.

SAM2 / CSAM2 / SW6 Overwinter Cover crops

Cover crops under SW6 should be established by 15th September. Cover crop mixes need to be at least 2 species. If you need any seed, please get in touch.

IPM3 / CIPM3 Companion Crop

In preparation for Autumn drilling approaching, you should start planning companion crop species, seed rates and pesticide compatibility. If you need any seed, please get in touch with your agronomist.

Soil sampling and grain testing

With the changes in the Farming Rules for Water regarding phosphorus last year, and increasing levels of Phosphates detected within soils, harvest is a great time of year to check whether these high phosphates are available to growing crops by taking a grain sample. Talk with your Agronomist or Precision specialist now to discuss options before the combines start rolling.

Remember to take photos of flowering plants in pollen/nectar mixes, herbal leys, legumes in grassland, wildflower margins and summer cover crops. Also keep grazing records including animal type, numbers, age group. If you need any help with environmental scheme compliance, please get in touch with your local rural consultant.



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Scottish Update

Preparing for Sustainable Farming (PSF) scheme

Since the PSF scheme finished at the end of 2025, there is no indication that there is going to be any further funding for soil sampling at the moment. By the **15th May 2028** farms will need to have all their Region 1 fields sampled within the previous 5 years. As harvest approaches and we start to look ahead at cropping for 2027, it is also a great time to see which fields still need to be soil sampled. Get in touch with your agronomist, precision specialist or rural consultant to discuss options available to you.

Grain sampling for Phosphorus

There are areas across Scotland that are seeing increasing levels of Phosphates within their soils. Harvest is a great time of year to check whether these high phosphates are available to growing crops. Taking a grain sample from each field that is high in Phosphates and having it analysed will show whether the grain and therefore the plant is able to extract this Phosphate from the soil. Talk with your Agronomist now to discuss options before the combines start rolling.

Farming Advice Service Funding

Funding for specialist advice is available again through the Farming Advice Service. The service, having been suspended at the end of 2025, is now open again for on-farm specialist advice on topics such as Biodiversity Action Plans, Soil and Nutrient Management and Water Management being just three of the 13 specialist advice plans available along with Whole Farm Integrated Land Management Plans which look at your whole farm business. Lewis Butlin is a registered deliverer for the Farming Advice Service, and he can be requested to carry these out for you by contacting the Farming Advice Service on 0300 323 0161.

Reminder of the EFA Key changes

SAF applications should now have been submitted for 2026. This year it was not necessary to submit EFA maps as part of the application. However, these should still have been produced and available on farm should an inspection be carried out or a request to send them to the Department is received.

This year farmers had until the **15th of July** to establish any new EFA features which have been declared on your 2026 SAF.

EFA's will be increasing from 5% to 7% of arable area in 2027. It is not too early to start considering where these extra features are going to be located, especially if they are going to be established ahead of sowing cash crops in the autumn.

Requirements for Whole Farm Plans is still in place, with the need to have all those relevant to your business being required in due course. It's a good time to consider which ones you still need to complete and look to getting these completed. Surveys for Biodiversity Plans are better carried out in the summer months when species are more easily identifiable.

If you need any help or further information, please contact Lewis Butlin.

Welsh Update

Sustainable Farming Scheme (SFS)

A three-year funding commitment has been given to the Sustainable Farming Scheme (SFS). It is designed to provide more certainty for Welsh farmers. There will be £340m for the SFS for each of the years 2027/28, 2028/29 and 2029/30. Funding will be split so that £238m per year goes to the Universal layer and £102 million to the Optional and Collaborative Layers.

If you have applied for the Universal Layer of the SFS, you need to make sure you are progressing all the Universal Actions (UAs) which are applicable to you by the end of the year. You will need to confirm on the SFS Universal Dashboard by 15th January 2027 that you have met the requirements for the Universal Actions.

As a reminder some of the 12 Universal actions that we can help with include:

UA1 – Soil Health Test approximately 20% of improved land each year so all eligible fields are tested over a five-year cycle, and use the results to inform nutrient and soil management.

UA2 – Integrated Pest Management (IPM) Complete an annual IPM assessment and keep records of plant protection product use to encourage targeted, lower-risk pest control.

UA10 – Tree and Hedgerow Planting Opportunity Plan Prepare a plan identifying suitable locations for future tree and hedgerow planting. The action is about planning rather than mandatory planting.

UA11 – Historic Environment Identify and protect historic and archaeological features on the farm and manage them appropriately.

SFS Grant Scheme

The Welsh Government has provided opening dates for some of the Optional categories under the SFS.

- Small Woodland Creation Grants Scheme – opened from 20th July to 23rd October.
- Capital: Production and Efficiency – applications can be made from 28th July. Grants of between £500 to £15,000 at a 40% grant rate will be available to fund items in areas such as livestock handling, EID, precision application, biosecurity, soil management, grain processing, water management, computers & IT.
- Organic Conversion – open for applications from 29th July to 9th September for conversion to organic. This is a 5-year agreement, but payments are only made for the first two years (it is possible to apply for the organic farming support payments from the third year). The scheme will be similar to the previous organic support.

Other grants are due to open later in the year.

- Small Infrastructure – September 2026
- Infrastructure and Equipment – October 2026
- Designated Sites (only those in Universal Layer) – November 2026
- Temporary Habitat Creation – November 2026
- Capital: Environment – November 2026.

If you need any help with SFS compliance then please contact your agronomist, precision specialist or Phil Edenborough.