Rural Insight

June 2026

agrovista rural consultancy

English Update

Sustainable Farming Incentive 2026

The first window of the SFI 2026 is due to launch this month. Farm businesses without any existing environmental schemes or less than 50 ha are eligible to apply.

Key information:

- Agreements will be capped at £100,000 per year per farm business.
- A farm business can have only one SFI26 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.
- There are 10 options which are capped at 25% of the total agricultural area of the farm.

In September, the SFI 2026 will open up to all eligible farm businesses.

Capital grants 2026

Capital grants will open in **July** with £225 million available to help cover the cost of one-off investments on farms. 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.

Some items require Catchment Sensitive Farming approval, so it is recommended that you contact your local advisers as soon as possible to submit a support form request, as some offices are no longer accepting advice requests.

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Lowland Peat Water Discovery Grant

The UK government is offering **up to £4.5** million to support farmers and local partners in developing more sustainable water management in lowland peat areas. Healthy peatlands store large amounts of carbon and provide environmental benefits, but most have been drained, causing carbon loss and land degradation. The Environment Agency will deliver the scheme, funding projects between **£50,000 and £300,000** to create practical plans for raising water tables safely on farmland. Applications are open until **26 June 2026**.

Farming Innovation Investor partnership

A new £5 million government funding round opens on **11th May**, aiming to leverage at least £10 million in private investment. Applications close on **17th June**. Eligible applicants must be UK-registered micro, small or medium-sized businesses seeking late-seed or Series A investment and developing innovations close to market readiness. Projects must benefit farmers or agricultural businesses in England, cost £750,000–£3 million, run for up to 18 months, and be delivered in the UK. Grant funding will cover up to 45% of costs for micro and small businesses and up to 35% for medium-sized businesses. Previous successful projects include protecting crops without chemicals using biological pesticides and using fungi to support tree growth. Further details from Innovate UK will be released soon.

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Stewardship option guidance

AB1 / AHL1 / CAHL1 - Pollen & Nectar flower mix

Rotationally cut 50% of each plot between 15th May and 15th June. Take care to avoid ground nesting birds. If you are rotating this option, now is a good time to establish it.

AB9 / AHL2 / CAHL2 – Winter bird food

Plots should be drilled by 15th June.

AB15 / NUM3 / CNUM3 – Legume Fallow

Cutting between March and mid-June can help to control annual grassweeds such as Blackgrass. Rolling may encourage growth.

GS4 / CSAM3 – Herbal Leys

Do not graze or cut herbal leys for a 5-week period between May and the end of July.

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 Field Corners or Blocks Out of Management

Remember you must not cut or graze these areas.

GRH7 – Haymaking supplement

Do not graze or cut the sward for at least 8 continuous weeks in spring and summer before harvesting hay. Harvest no earlier than late June (outside SDAs) or mid-July (in SDAs) and leave an uncut margin.

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 between June and August which will not be harvested as a cash crop

NUM1, IPM1 and SAM1 Management plans

Remember to complete your Nutrient (NUM1), Soil (SAM1) and Integrated Pest (IPM1) management plans for each year of your SFI agreement. For the SAM1 you need to have a in date (not before June 2021) soil samples and organic matter tested for each land parcel in the agreement. If you fail to provide these upon request from the RPA, then you are in breach of your agreement.

Remember to take photos of flowering plants in pollen/nectar mixes, herbal leys, legumes in grassland, wildflower margins and spring / summer cover crops. Also keep grazing records including animal type, numbers, age group.

If you need any help with environmental scheme management or compliance, please get in touch with your local rural consultant.

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Scottish Update

Agri-Environment Climate Scheme (AECS) 2026

The AECS 2026 opened on the 23rd of February for Agri-environment, irrigation lagoons and organics applications. The application window is open until the **20th of June 2026**. If you are applying for the stand-alone organic application, then you have until the 31st of July 2026.

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. At Agrovista, Scotland Consultant 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.

Rural Support Plan (RSP) 2026-2030

The Rural Support Plan for 2026–2030 largely restates existing Scottish farm policy. Current schemes continue within the four-tier framework, with stability expected from 2026–2029. The only notable change is raising Ecological Focus Areas to 7% in 2027. No review of the three-region model or LFASS is proposed. Funding stays fixed to 2031, with 70% going to Tiers 1 and 2, split 70/30, meaning BPS and Greening remain similar in cash terms but fall in real value due to inflation.

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 you have 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.

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Welsh Update

Welsh Elections

Following the Welsh Elections, Llŷr Gruffydd has been appointed Wales's Cabinet Minister for Rural Resilience and Sustainability. He has held several shadow Ministerial roles, including Shadow Minister for Education, Shadow Minister for Finance and Local Government and Shadow Minister for Environment and Rural. Originally from Carmarthenshire and now based in Ruthin, he has built a reputation as a strong advocate for farming, Welsh-speaking communities and rural services.

Farming Connect

Farming Connect has secured a new round of funding, meaning all farmers will need to re-register to continue accessing its support, advice, and services. Open to all eligible farm businesses in Wales, the new programme provides a wide range of fully funded and subsidised options aimed at improving business performance, resilience, and long-term sustainability.

Ffermio Bro

It has been confirmed that £6.5m will be available in 2026-2028. The scheme launched last May (2025) with funding available via Designated Landscape (DL) bodies across National Parks and National Landscapes in Wales, to support nature recovery in these areas. The Welsh Government has confirmed £5.5m will go directly to farmers to carry out on-farm projects.

Welsh Agricultural Loan Scheme

The Welsh Government has given details of an Agricultural Loan scheme being introduced later this year. The Sustainable Agriculture Loan Scheme (SALS) will offer incentivised loans to help small and medium-sized farms invest in energy efficiency, waste management, and productivity improvements. The funding package will include the following:

- 3% fixed interest rate loan
- loans of between £25,000 and £1 million per project
- up to 15-year repayment term
- 6-month upfront repayment holiday
- seasonal payment options are also being considered.

Eligible investments include:

- renewable energy generation for on-farm use
- energy efficiency and storage
- waste and nutrient management
- farm infrastructure and assets – including equipment, processing and storage

The new loan scheme will be launched by the Welsh Government and delivered by the Development Bank of Wales 'later this year'. Up to £5 million will be available during the 2026/27 financial year, with the potential to extend the scheme depending on demand.

If you need any help or further information, please contact Phil Edenborough.

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