

Rural Insight

March 2026



English Update

Sustainable Farming Incentive 2026

DEFRA have announced the new Sustainable Farming Incentive (SFI) offer will launch this year. There will be 2 application windows with budgets set for both:

- June - (open for 2 months or until the budget is allocated)
 - Small farms under 50 ha.
 - Those without existing environmental land management agreements.
- September
 - All farmers.

Key information:

- Agreements will be capped at £100,000 per year per farm business.
- 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.
- Enhanced overwinter stubble (AHW7) has been added to the list of options which are limited to 25% of the total agricultural area of the farm.
- Payment rates have been reduced for the following options:
 - Herbal leys from £382 to £224 / ha.
 - Winter bird food from £853 to £648 / ha.
 - Legume fallow from £593 to £532 / ha.
- 5 year actions have been reduced to 3 year.
- Management plan options have been removed (IPM1, SAM1, NUM1, HRW1) along with spring sown cover crops (SOH2), winter cover crops after maize (SOH4), bumble bird mix (AHW1) and hedgerow trees (HRW3).

Farming Equipment and Technology Fund (FETF) 2026

Applications for the FETF 2026 will open on the **17th March** with grants of up to £25,000 available. Themes are the same as last year; Productivity, Animal Health and Welfare and Slurry Management. You can only submit one application per theme. The uplift scoring that was in place last year has been removed. The deadline for applications is **midday on 28th April**.

Farming Equipment and Technology Fund (FETF) 2025 Agreements

Claims for any FETF grants from 2025 need to be submitted by **12 noon on Tuesday 31st March**.

Capital grants

A new round of capital grants will be opened in **July**. Capital Grants are payments that help cover the cost of one-off investments on farms, rather than ongoing payments. They fund tree planting, hedgerow restoration and improving water quality. Last year the budget had been fully allocated in a month, so they have increased the budget from £150 million to £225 million this year.

Stewardship option guidance

AB1 / AHL1 / CAHL1 - Pollen & Nectar flower mix

You have until 15th of March to graze or 30th of March to cut your nectar flower plots. If you don't have the equipment to cut and remove, wait until a dry, frosty day and cut very steadily with a flail mower.

AB5 / CAB5 - Nesting plots for lapwing and stone curlew

Plots must be cultivated by the 20th March.

AB8 / IPM2 / CIPM2 – Flower-rich grass margins, blocks or in-field strips

March is a good month to flail your flower-rich grass margins.

AB9 / AHL2 / CAHL2 – Winter Bird Food

Winter bird food plots can be returned to the rotation / destroyed. This is the toughest month for farmland birds so the longer they are left, the more environment benefit they are delivering.

AB10 / AHW9 / CAHW9 – Unharvested cereal headland

Unharvested cereal headlands need to be established between February and April.

AB11 / AHW11 / CAHW11 – Cultivated areas for arable plants

For spring germination, cultivate between February and mid-April areas up to 6m wide to allow natural regeneration of arable plants.

AB12 / AHW2 / CAHW2 Supplementary winter bird food

Supplementary feeding needs to continue throughout February, until 30th of April. Remember to keep your invoices and a diary of when, where and how much you feed.

HS1 / HS8 / HEF1 / HEF2 Weatherproof buildings

It is a good time to clear out gutters and check roofs, and traditional farm buildings are weatherproof.

Compliance

Hedges – No cutting from 1st March

You must not cut or trim a hedgerow on or next to land used for agriculture from the 1st March until the 31st August. As a reminder you should also have a 2-meter buffer strip from the centre of the hedge that is not cultivated or any fertiliser or pesticides applied on it.

Heather and grass burning

You cannot burn heather, rough grass, bracken and gorse on lowland areas from the 15th March and 31st March for upland areas.

Farming Rules for Water

Any manure should not be spread if the land is flooded, waterlogged, snow covered or frozen for more than 12 hours in the previous 24 hours.

NVZ Compliance

If your farm / land is located within a Nitrate Vulnerable Zone (NVZ), by the 30th of April each year you must make a record of:

- Area of your holding in hectares
- Numbers of livestock kept on your holding from previous year
- Type of animal and number of days each animal spent on your holding, including if kept in a building or on hard standing.
- Calculation of the amount of nitrogen produced by livestock.
- Dates (start and end) and locations of any field sites you use for storing solid manure.

These records need to be kept for 5 years.

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

Scottish Update

Agri-Environment Climate Scheme (AECS) 2026

The AECS 2026 will be opening from 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.

Agritourism Investment Scheme (AIS)

The AIS is a £1 million competitive scheme that opened on the 19th January and is due to close **at midnight on the 13th March**. The AIS is a capital fund that allows businesses to meet this objective and invest in improvements to their diversified business. There is a maximum support rate of 40% for investment in agritourism businesses across Scotland to help them be financially sustainable, profitable and resilient.

Agri wages board minimum wage proposal

A single minimum hourly rate for all agricultural workers, irrespective of age and duties has been proposed by the Scottish Agricultural Wage Board (SAWB). They are due to meet in March to consider feedback. If approved, the minimum hourly rate would increase by £0.50 per hour to equal the UK Government's National Living Wage of £12.71. The proposed headline minimum rates are:

- overtime rate for all workers remains at 1.5 times the agreed hourly rate £19.07 per hour
- hourly rate of £8.00 for workers who undertake an SCQF Level 4 or 5 or equivalent in Agriculture / Horticulture
- an additional sum of £1.91 per hour for workers who have appropriate qualifications
- where it is necessary for a worker to keep and feed a dog (or dogs) to enable them to do their job then they must be paid an allowance of £11.18 per working dog up to a maximum of four dogs.
- the daily rate for accommodation off-set for accommodation provided by an employer other than a house is to be frozen at £10.66.

Reminder of the EFA Key changes

Significant changes to Scotland's greening rules came into effect from 1 of January 2026. The changes are summarised below:

- Removal of grassland exemptions. Previous exemptions for farms with over 75% grassland or temporary grass have been removed.
- 5% EFA requirement applies to all holdings with more than 15 hectares of arable land and/or temporary grassland. This requirement is set to increase to 7% of arable land by 2027.
- By 2026, fallow land must feature a diverse mixture, including at least three flowering species.
- New rules prohibit cutting or trimming hedges between March 1st and December 1st.
- Allowed gaps in hedges are restricted to 5 meters.
- For Nitrogen-Fixing crops the requirements now include establishing a minimum of two separate nitrogen-fixing crops.
- Application of fertiliser or manure on EFAs is prohibited to help reduce emissions.
- While an EFA map no longer needs to be submitted with the Single Application Form (SAF), an up-to-date map must be available for inspection.
- 4 new options have been introduced including:
 - Low input grassland
 - Herb-rich pastures
 - Unharvested crop
 - Agroforestry

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

Welsh Update

Transition from Basic Payment Scheme (BPS) to Sustainable Farming Scheme (SFS)

BPS is being phased out and will be fully concluded by 2029. In 2026, the SFS begins so the BPS will be reduced by 40%. From the 2nd March farmers must decide whether to join SFS or to stay in BPS. Once moved to the SFS, farmers cannot revert back to BPS.

Sustainable Farming Scheme (SFS)

The SFS scheme launched on the 1st of January replacing the Basic Payment Scheme (BPS) as the primary support for farmers. It is designed for sustainability and food production, it includes mandatory 10% habitat management and 10% tree canopy, along with universal actions on soil, health, and welfare.

The SFS scheme has 3 levels available:

- Universal – actions all farmers must do. Farmers must complete 12 actions to receive the baseline payment.
- Optional – extra payments for additional actions.
- Collaborative – group projects.

All farmers are eligible to apply via the Single Application Form (SAF) on the Rural Payments Wales online portal. Applications are open from 2nd of March until the 15th of May 2026.

Key dates

SFS / BPS	2 nd March – 15 th May
Woodland Creation	4 th March – 20 th November
Small Grant Woodland	2 nd March – 22 nd May
Ffermio Bro – Farming in designated landscapes (window 2)	9 th – 27 th March

Livestock and Animal Health – New stricter rules for bTB

As of 1 January 2026 – all standard interpretation IRs that have negative result will be restricted to your holding for the rest of its life. This affects all standard interpretation IRs that have negative result under standard interpretation at the re-test. They are restricted to the holding which they are found on. The only permitted movements of such animals are to a slaughterhouse or Approved Finishing Unit (AFU). The cattle can move:

- Directly
- Via an approved slaughter gathering, or
- Via a TB dedicated sale (orange market)

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