Rural Insight

May 2026

English Update

Farming Equipment and Technology Fund (FETF) 2026

Applications for the FETF 2026 have been extended to **midday on Tuesday 12th May**. 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.

Countryside Stewardship (CS) and Environmental Stewardship (ES)

Remember to submit your 2026 revenue claim for Countryside Stewardship (CS) or Environmental Stewardship (ES). Claims by 11:59pm on **Friday 15th May**. Any claims submitted after this date will be subject to reductions.

Capital grants 2026

A new round of capital grants will open in **July**. £225 million is available under the Capital Grants offer 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, air quality and natural flood management, and £35,000 for boundaries, trees and orchards. Some items require Catchment Sensitive Farming approval, so it is recommended you get prepared early.

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 15tth 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.

AB6 / CAB6 / AHW7 – Enhanced overwinter stubble

You can use herbicides on the stubble to control problem grass weeds from the 15th May.

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 of cut herbal leys for a 5-week period between May and the end of July.

SOH2 – Multi-species spring-sown cover crop

A multi-specie cover crop with at least 4 species, 2 from 2 or more different plant families must be established by the end of this month.

OFA6 – Under sown cereal crop (organic land)

By the end of this month, you must under sow an autumn or spring sown cereal crop (not maize) with a grass or flower-rich legume ley.

Compliance

Hedges – No cutting from 1st March

You must not cut or trim a hedgerow on or next to land used for agriculture until the 31st of 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.

NVZ Compliance

If your farm / land is located within a Nitrate Vulnerable Zone (NVZ), the deadline for completing the following records was the 30th of April:

- 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.

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Scottish Update

BPS Payments

Mairi Gougeon, Scottish Rural Affairs Secretary, has confirmed BPS and Greening payments will be made to Scottish farmers from early September this year. The announcement that 2026 payments will be made as early as possible comes as the application window for the Single Application Form (SAF) opens for farmers and crofters in Scotland. It will close on the usual **15th of May**. Scottish farmers have experienced the least change in support payments in the UK and payment rates are expected to be similar to those received in 2025.

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.

Compliance

Muirburn

The 2025 / 2026 Muirburn season finished on the 31st of March 2026. From 2026 onwards, the season will change to 15 September – 31 March.

Rural Support Plan (RSP) 2026-2030

The Scottish Government has released its Rural Support Plan (RSP) for 2026–2030, as required by the Agriculture and Rural Communities (Scotland) Act 2024. The document mainly consolidates existing policy rather than announcing new measures.

The plan confirms that current farm support schemes will largely continue unchanged in the short term, fitted into the already-discussed four-tier support framework.

A “Route Map” indicates that 2026–2029 will be a period of stability, with payments maintained through familiar mechanisms. The only notable change mentioned is the previously announced increase in Ecological Focus Area (EFA) requirements to 7% in 2027. There is no reference to reviewing the three-region model or altering LFASS.

Funding allocations are outlined through to 2031, reaffirming that 70% of funding will go to Tiers 1 and 2, with a 70/30 split between them. This means BPS and Greening payments will stay broadly similar in cash terms, but will decline in real terms due to inflation

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

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Welsh Update

Basic Payment Scheme (BPS) and Sustainable Farming Scheme (SFS)

The Single Application Form (SAF) window closes on **15th of May 2026**. Applications to either the BPS or the Universal Layer of the new SFS can be completed via the SAF. As a reminder, 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%. Once moved to the SFS, farmers cannot revert back to BPS.

SFS Optional and Collaborative themes

The Welsh Government has grouped the Optional actions into different 'Categories'. These often closely cover the same sort of activities as previous grant schemes. Some will only be available to farmers who are participating in the Universal Layer, whilst others will be open to all. An example of optional layers include:

- *capital: production and efficiency* - grants of £500 to £15,000 at a 40% grant rate. Open to all. It will fund items such as livestock handling, precision application, biosecurity, soil and water management.
- *infrastructure and equipment* - grants of between £12,000 and £50,000 at a 40% grant rate. Open to all. Covers items such as slurry storage/ covers, precision manure spreading, chemicals & fuel storage.

Whilst there is less detail released on the collaborative actions, they will operate in three areas in 2026:

- innovation, research and development,
- collaborative market and supply-chain,
- collaborative landscape scale activity.

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.

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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.

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.

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

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