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VICTORIA VYVYAN

# An abrupt move from government

**With no hint or suggestion that SFI might be closing soon, the government’s latest move regarding the scheme has left much of the UK farming industry in a state of shock. CPM speaks to experts for their views on the situation.**

By Janine Adamson

**L**ast month, without any form of warning, Defra announced that SFI was closing with immediate effect, citing high uptake and budget constraints as the reasons behind its abrupt approach to decision making.

Unsurprisingly, the way in which this communication was handled has received widespread criticism – it came out of the blue at a time when farmer confidence in government is fast depleting, says CLA president, Victoria Vyvyan.

She believes the government must face the truth: in shutting farmers out, it’s not just hurting livelihoods, but hurting the British public. “If Defra had flagged budget issues sooner, we could have helped to find solutions. Instead, they scrapped the SFI scheme without warning, blindsiding farmers and threatening to undo years of progress in protecting nature.

“This isn’t complicated; farmers don’t want spin or sudden U-turns. We

want honesty, a plan, and a voice in decisions that directly affect us. We all want to see farming and nature flourish but that can’t happen if government repeatedly breaks faith with us.”

## KEY ASKS

Victoria shares that the CLA recently met with farming minister Daniel Zeichner, where it posed a series of key asks. The first was for government to create an immediate plan for rapid co-designed revisions and launch of a new SFI, along with a commitment to stability on the ELM schemes.

Then, that nature and the environment require ‘proper’ funding if government is serious about achieving its own goals and legal targets. “Our analysis, and that of many other organisations, suggest that even £2.5Bn a year is unequal to the task. Reliance on emerging nature markets is unlikely to deliver at the scale required in the short-term,” she continues.

The final ask has been for government to acknowledge its role in procuring environmental public goods that can’t be monetised for the private sector until nature markets are established.

As part of the announcement, the government published a blog where it states: “Every penny in all existing SFI agreements will be paid to farmers and



## Widespread impact

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**A lack of strategy**  
SFI was seemingly scattergun in approach with a chaotic number of available actions, says consultant, Paul Pickford.

▶ outstanding eligible applications that have been submitted will be processed. “Now is the right time for a reset: supporting farmers, delivering for nature and targeting public funds fairly and effectively towards our priorities for food, farming and nature.” It also included guidance regarding what happens next, for those who were engaging with SFI, or had planned to do so (see table). SFI consultant, Paul Pickford, says based on the published figures and a back of an envelope calculation, it’s easy to see the budget is now spent. “There’s no money left until 2026 when the government says it might make an announcement and re-open for further applications. “We can assume that’ll come with a significant cap – the former

system was very open and farmers were given the chance to make the most of it, and they did. “I have no problem with that other than it’s an opportunity missed. We could have had something which delivered so much more, but it was seemingly scattergun in approach with a chaotic number of available actions. This is far from the government’s finest hour,” he comments.

**SIGNIFICANT PAIN**

Paul believes that combined with the loss of BPS and other factors such as current mediocre wheat prices, the knock-on will be a significant amount of pain. “Some growers will be able to plan their way around this, others won’t.” And with lofty figures cited during the announcement such as more than 50,000 farm businesses benefitting from farming schemes, equating to more than 37,000 multi-year live agreements in place, Paul suggests it’s merely spin to big up government rather than explicitly admit the money is spent. He says it should be no surprise that there was a surge in uptake. “As a farmer in business, if an opportunity comes along to make money, you do that because financially, most have little other choice. “Farmers have a healthy attitude towards making the most of their land. It’s highly unlikely they’ll give up on environmental stewardship and simply return to old ways of maximising cropping. A lot of margins were put in for sound economic and environmental reasons and many have been in place for a considerable time now, so what the closure of SFI does,

is limit future growth,” he adds. Wildlife farming consultant, Marek Nowakowski, has been admittedly vocal about SFI and its implementation from the start. He agrees that with so many negative factors impacting the industry at the moment, farmers shouldn’t be blamed for maximising the available funding. However, he believes the recent announcement might not be telling the whole story. “It’s not an easy job for Defra and the RPA – I’m not sure I could do better – but to suddenly wake up and realise they’ve run out of cash and be surprised by it? They should have known; so I think there’s more to this than meets the eye. “You’d expect they’d be having regular discussions to understand why ▶



**Science-based approach**  
Wildlife farming consultant, Marek Nowakowski, says projects such as the Hillesden Study revealed wildlife responds to appropriate, tailored, long-term opportunities.

Scenario	What happens next
Those with an existing SFI agreement	Nothing changes, payments will continue as usual under the terms of the agreement. If an SFI agreement was entered into this year, payments will be made until 2028.
An agreement has been offered but a grower hasn’t accepted	If wishing to proceed, accept the SFI agreement offer within 10 working days of it being offered. If this doesn’t occur, it can be withdrawn.
An SFI application was submitted before the scheme was closed but no offer has yet been received	An agreement will be offered providing the application is eligible.
An application was started but wasn’t submitted before applications closed	The application can’t be submitted. Exceptions to this are farmers who were blocked from submitting applications due to a system fault or who’d requested ‘assisted digital’ support from the RPA to apply, plus ex-SFI Pilot farmers whose Pilot agreement has ended but haven’t applied for the full SFI 2024 offer on land which was in their Pilot agreement.
Those with an SFI Pilot agreement or whose SFI Pilot agreement has ended	Those in the SFI Pilot will be able to apply when the pilot agreement ends.





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### Alternative opportunities

Now's the time to explore alternative funding mechanisms, for example, from water companies or wildlife organisations, suggests Hutchinsons' Georgina Wallis.

- ▶ this hasn't quite worked. Ultimately, we're not doing so well in halting biodiversity decline," he raises.

### EXPERT INSIGHT

Marek hopes such discussions will include revising the design of SFI with greater input from farming experts. "To launch a system with no rules only aims when Defra should have been rewarding delivery, just wasn't helpful. Equally it was open to everyone, further illustrated by the fact 50% of BPS claims are for individuals with small areas less than 40ha.

"Farmers asked for autonomy but the government took that too far – nothing was targeted – they took a quantity not quality approach."

He highlights that in the past, Defra funded a raft of environmental science-based projects such as the Hillesden study, which explored how best to increase biodiversity on farm while remaining profitable. "And this approach is effective – we learnt wildlife responds to appropriate, tailored, long-term opportunities driven by quality habitats.

"SFI is fundamentally flawed – science has shown us the best way to deliver profitable farming and practical conservation but what was SFI isn't the way," he stresses. "Yet we can do better and halt biodiversity decline – the system is at fault, not the farmers."

Paul adds that although farming currently feels singled out, budget-related changes are occurring across

## SFI: impacting the switch to organic

Growth in the organic food sector could be curtailed by the government closing SFI applications, according to a recent poll

**G**rowers attending a webinar which explored the business case for organic farming, polled that the government closing SFI applications would impact their confidence in switching systems.

Despite the majority of attendees partaking in the session because they aren't currently organic but are interested in moving over, most (90%) then shared that the latest goalpost change would have a significant bearing on whether that comes to fruition.

Organic sector development advisor, Adrian Steele, said the expanded SFI release had included options aimed at growers operating within organic-based systems. "So we have to let the fog lift and for Defra to come through the other side.

"What we do know is, stunting the UK organic sector in this way will have to be offset by increased imports, which doesn't help Defra to achieve its wider environmental targets."

For context, the amount of UK farmland in conversion to organic with Soil Association Certification has doubled in the past year, which the organisation believes is in response to SFI, market supply opportunities and increased consumer demand.

Adrian said the Soil Association is now working closely with Defra in hope of finding a way forward. "It's all very disappointing; it's also

why we're collating evidence to present to Defra including farm case studies, which we welcome further submissions," he added.

### ORGANIC MARKET REPORT 2025

A report conducted by Soil Association Certification reveals the sector has 'bounced back' from the cost-of-living crisis with growth exceeding non-organic, rising 7.3%, which equates to £3.7Bn.

Sales increased across every key channel during 2024, with independent retail, non-food and hospitality enjoying particularly strong performances, said Soil Association Certification's Sophie Kirk.

She added that the organic home baking category experienced £54M sales last year, equating to an 11.6% growth in volume. "As for organic cereals and morning goods, that achieved £30M of sales and 11.3% volume growth, whereas organic bakery saw a 9.5% volume increase."

As for organic farming specifically, the report highlights that the amount of UK organic farmland is falling behind other nations, despite a recent rise in farms converting their management approaches. The figure has remained largely static in England, representing 3% of the country's farmed area (data collected 2023).

the board. "We're somewhat in our own bubble but we're not alone in being on the receiving end of cuts. It's very frustrating for all industry."

Marek agrees: "You have to ask, are we paying the price for the pandemic when the government overspent hugely? Regardless, farming is going through a significant rough patch – you just can't run a successful business when the government makes moves like this."

Hutchinsons' head of environmental services, Georgina Wallis, highlights that now is far from the best time for farmers to have to devise a plan B. "Given we're in the spring and therefore a busy time of year, it's very poor timing and causes such distrust.

"However, the message is if you're in a scheme, concentrate on delivering

it as per the stipulated guidance. If you're not, then start preparing a plan for when SFI is available again in 2026, working with a trusted advisor to identify suitable options.

"And importantly, don't rule out applying for other schemes whether that be grants from water companies or wildlife organisations, or, biodiversity net gain. It's not the end of funding altogether, so it's an ideal time to explore those alternatives," she says.

According to Georgina, Hutchinsons is devising a decision tree to help guide farmers during the months ahead. "SFI's closure has happened and there's little we can do about it, so I think the best thing to do is focus on finding appropriate solutions to move forward," she concludes. ●