# Farming businesses reeling from closure of sustainable farming incentive applications



Farming businesses in England are reeling following the unexpected closure of the Sustainable Farming Incentive (SFI) applications announced by the Department for Environment, Food & Rural Affairs (Defra) on Tuesday. This decision effectively cuts off subsidy support for numerous farming enterprises, intensifying financial pressures in an already strained agricultural sector.

The SFI is an integral component of the government's broader Environmental Land Management Schemes (ELMS), established to replace the European Union's Common Agricultural Policy subsidies. These schemes are intended to promote farming practices that deliver ecological benefits, such as insecticide-free farming, management of wildflower strips, and conservation of ponds and hedgerows.

Defra described the decision as a necessary response to the “record numbers” of farm businesses that had applied, amounting to over 50,000 participants and representing more than half of all farmed land in England. They stated that the funding limit for the SFI has now been met, following a budget announcement from Chancellor Rachel Reeves that indicated a significant reduction in the previously established Basic Payment Scheme (BPS). The closure was met with criticism from farming representatives who felt blindsided by the rapid announcement, with the National Farmers' Union (NFU) lamenting that they had only been given "30 minutes warning" before the public announcement.

NFU President Tom Bradshaw described the closure as “another shattering blow”, criticising the government for its lack of understanding about the agricultural industry's challenges. He expressed concerns regarding the capability of Defra to manage the transition in agriculture following Brexit, emphasising that the government's mismanagement has left farmers facing a desperate situation.

Bradshaw's concerns were echoed by various stakeholders, including David Eudall, the economics and analysis director at market advisory body AHDB, who labelled the closure a "shock to the industry." The sudden halt on new SFI applications compounds the challenges facing farmers, many of whom had planned to utilise the scheme to offset financial risks. The revised agricultural landscape post-Brexit has already created volatility in both production inputs and commodity prices, exacerbating the precariousness of farmers' financial health.

Countries such as the UK are grappling with broader economic pressures, and Bradshaw warned that many farmers could now be forced to abandon environmental initiatives to maximise production and ensure survival. He stated that this outcome could detract from both farming sustainability and environmental stewardship, counteracting government objectives.

The recent collapse in farm confidence, highlighted by the upcoming NFU annual farm confidence survey, underscores the discontent within the sector. With short-term confidence already plummeting, Bradshaw expressed that the closure of the SFI would likely extinguish any remaining optimism.

Meanwhile, Farmer leaders and associations have voiced their outrage at the government’s handling of the situation. Kemi Badenoch, the leader of the Conservative Party, condemned the government’s decision on X (formerly Twitter), claiming that it demonstrated a lack of respect for rural communities. Additionally, Alistair Carmichael, chair of the Environment, Food and Rural Affairs Committee, termed the move "regrettable," highlighting the existing pressures on the agricultural industry due to "a perfect storm of adverse conditions."

The immediate implications of this decision will lead to increased instability within agricultural operations, with many farmers feeling frustrated and let down by a government perceived as disconnected from the realities of farming life. The implications of not supporting environmental practices could extend beyond individual financial viability, potentially threatening broader ecological and food security issues in the future.

Source: [Noah Wire Services](https://www.noahwire.com)

## References

* <https://www.fwi.co.uk/news/farm-policy/cruellest-betrayal-as-defra-halts-new-sfi-applications> - This article corroborates the closure of new Sustainable Farming Incentive (SFI) applications by Defra due to reaching the funding limit, and it highlights the criticism from farming communities regarding this decision.
* <https://www.gov.uk/government/news/record-farmers-in-sfi-schemes-as-government-successfully-allocates-sustainable-farming-budget> - This government news release confirms that SFI24 has reached its completion and new applications are no longer being accepted, while also highlighting the record participation in SFI schemes.
* <https://www.fwi.co.uk/news/farm-policy/cruellest-betrayal-as-defra-halts-new-sfi-applications> - This article further explains the context of the SFI scheme as part of the Environmental Land Management Schemes (ELMS), which aim to promote sustainable farming practices.
* <https://www.gov.uk/government/news/record-farmers-in-sfi-schemes-as-government-successfully-allocates-sustainable-farming-budget> - This release provides details on the government's commitment to sustainable farming and the allocation of a significant budget for these initiatives, despite the closure of new SFI applications.
* <https://www.fwi.co.uk/news/farm-policy/cruellest-betrayal-as-defra-halts-new-sfi-applications> - The article discusses the reaction from farming leaders and associations, including criticism from the Country Land and Business Association (CLA) and concerns about the future of sustainable farming.
* <https://www.gov.uk/government/news/record-farmers-in-sfi-schemes-as-government-successfully-allocates-sustainable-farming-budget> - This news release outlines the government's plans for a new and improved SFI scheme following the Spending Review, focusing on food production, resilience, and nature recovery.
* <https://www.thegrocer.co.uk/news/farmers-outraged-as-key-sustainable-farming-subsidy-closed-at-short-notice/702097.article> - Please view link - unable to able to access data