

# **Sustainable Farming Scheme (SFS), Farming Connect Funded Support for Welsh farmers**



**Now Open for Applications (from 1st April) Deadline for Applications 15<sup>th</sup> May 2026**

Helping Welsh Farms Prepare for the New Sustainable Farming Scheme (2026–2029)  
With the next round of Farming Connect Advisory Service funding opening from 1st April, now is the ideal time for Welsh farmers to review their business, technical performance, and future strategy.

Kite has already supported many farms across Wales under previous rounds of Farming Connect funding — and we're ready to help you make the most of this new opportunity. The new Sustainable Farming Scheme (SFS) will replace BPS by 2029 and introduces 12 Universal Actions (UAs). Many of these require technical assessments, business plans or nutrient/grassland reviews — all areas where support from Kite is funded through Farming Connect. Available funding- up to £3000 per business.

## **Fully & Part-Funded Services Available from Kite**

### **Business Plans (80% funded, Joint Ventures/New-Entrant 100% funded)**

- Can include a full plan for the business, including financials and budgets
- Benchmarking of enterprise performance against industry standards and Kite top producers

### **Technical Livestock Management & Performance Review (70% funded)**

- Benchmarking performance KPIs to sector specific industry standards and Kite top producers
- Feed planning, nutrition plans, fertility analysis

### **Technical Grassland & Crop Management (70% funded)**

- Farm nutrient management plans, including the interpretation of soil analysis
- Grazing and crop management plans



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### Technical Carbon Advice (70% funded)

- Measurement of a farms carbon baseline and advisory reports on the interpretation of these results and actions to take.



Farming Connect Website for more information  
and help regarding application

[Advice | Farming Connect](#)



Single Application Form website- Open to apply until 15<sup>th</sup> May.

[Single Application Form 2026 | GOV.WALES](#)

The SFS scheme is designed to replace the BPS scheme which is being phased out across Welsh farms by 2029. It follows a very similar structure with minimal change to the BPS we know, and not all UAs will be applicable to every farm, so its well worth exploring and building a roadmap with your consultant to ensure you capitalise on this scheme.

### Call to action:

Get in touch with Beth Parry at Kite for further information and to discuss the options of funded Business or technical plans for your business.

Mobile: 07802 451788 Phone: 01902 851007



# Welsh Sustainable Farming Scheme: Scheme Overview

*Commencing 1<sup>st</sup> April 2026*



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## Sustainable Farming Scheme

From 2026, farmers will have the choice to enter the Sustainable Farming Scheme (SFS) or remain with the Basic Payment Scheme (BPS) which will be phased out by 2029. The SFS or 'scheme' as it is referred to as in this document, will be the Welsh governments primary mechanism to support farmers, land management and sustainable food production. The scheme will commence on the 1st January 2026, with the application available on the Single Application Form (SAF) via Rural Payments Wales from March until the 15th May. Recognising the need for an integrated farm level approach, SFS has been designed as a whole-farm scheme; consisting of three layers, including Universal, Optional and Collaborative layers. Those three layers will sit above the SFS regulatory baseline (further information on the baseline is yet to be released); which will operate on a similar basis to Cross Compliance rules, and a Universal code.

Detailed scheme guidance will be published later in 2025 including the definitive technical notes setting out all the scheme requirements, scheme actions, and evidence required for the scheme.

**Universal Layer** The universal layer will operate on a calendar year and is comprised of 12 Universal Actions (UA's). Farmers will be required to meet all 12 UAs, if they are relevant and applicable to their farm, to receive the universal payment.

**Optional Actions** There is choice to scaffold further actions, to deliver more targeted action.

**Collaborative Actions** There may be opportunities to work in a coordinated way with other farmers and undertake Collaborative Actions (CAs). For example, to help deliver outcomes at a landscape scale, which are not possible to deliver on a single farm

The scheme is directly underpinned by the Agriculture (Wales) Act 2023. Four Sustainable Land Management (SLM) objectives established within the act;

- To produce food and other goods in a sustainable manner
- To mitigate and adapt to climate change
- To maintain and enhance the resilience of ecosystems and the benefits they provide
- To conserve and enhance the countryside and cultural resources, and promote public access to and engagement with them, and to sustain the Welsh language and promote and facilitate its use.

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## Scheme Eligibility

The SFS is not entitlement based, and there is no requirement to retain BPS entitlements to access the scheme. You cannot claim BPS and SFS together.

### To be eligible for the universal payment you must:

- Undertake ancillary activities on agricultural land, in your own or farming businesses name at your own risk.
- Have a minimum of 3 hectares of eligible agricultural land or demonstrate more than 550 standard labour hours.
- Have exclusive occupation and management control of the land for at least 10 months of the calendar year.

**Eligibility of others to qualify for SFS funding** Individuals or organisations who own land which is not used for agriculture or are not involved in ancillary activities may not be eligible for funding under the Universal and Optional Actions. They may be eligible for support under Collaborative Actions delivering against SLM objectives, which will be considered on a case-by-case basis.

**Tenant Farmers** If a tenant has full access and management control of the farm and woodlands, they are eligible for the full Universal payment, including the whole farm payment and woodland maintenance payment. If a tenant has access to the woodlands, but the trees/timber is retained by the landowner, they would be eligible for the whole farm payment, but not the woodland maintenance payment.

**Cross-border farm holdings** If it is a cross-border farm business, you must be able to meet the eligibility criteria, UAs and scheme requirements on the land in Wales. Land outside of Wales will not be accounted for; this includes the scheme requirement of 10% habitat on each farm. However, farm management practises such as Nutrient Management Plans are whole-farm applicable, and a separate assessment for the Welsh holding would not be required.



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## Scheme Structure

The three layers will sit above the SFS Regulatory Baseline and a Universal Code. The Universal Layer will operate on a calendar year and comprises of 12 Universal Actions, referred to as UAs. Farmers in the scheme will be required to meet all 12 UAs, if they are relevant to their individual farm, to receive the Universal Payment.

Farmers may choose to go further and build upon these UAs by undertaking Optional Actions (OAs) to deliver more targeted action. There may also be opportunities for farmers to work in a coordinated way with other farmers and undertake Collaborative Actions (CAs), for example to help deliver outcomes at a landscape scale, which are not possible to deliver on a single farm. There will be additional requirements and payments available for these actions.

Non-regulatory requirement for a minimum of 10% of each farm to be actively managed as habitat to benefit biodiversity alongside food production. The following areas will be used to determine the 10%:

- all existing semi natural habitat as defined under UA5: Habitat maintenance
- established broadleaved woodland
- hedges in good condition that provide significant value for biodiversity
- habitats established since 2022 such as streamside corridors, ponds, woodland and hedges
- Temporary Mixed Leys or late cut silage (closed May - July)

Any land changes may impact the 10% habitat in an individual year, therefore the amount of habitat needs to be considered on an annual basis.

## Universal Layer Requirements

### **UA1: Soil Health**

Soil testing on 20% of agriculturally improved land; this should be all pasture not classified as habitat as part of UA5. Within 5-years, the whole- farm must have been soil tested. Minimum testing requirements include Potassium (K), Phosphorous (P), Magnesium (Mg), pH, and Soil Organic Matter. Test results must be uploaded to RPW Online. Soil testing which includes Potassium (K), Phosphorous (P), Magnesium (Mg), pH, undertaken four years prior to the scheme will count towards this action even if Soil Organic Matter was not included within the testing. A farm level carbon baseline to be completed within the second year of the scheme.

### **UA2: Integrated Pest Management (IPM)**

Complete an annual assessment of Plant Protection Products used, and alternative methods employed to reduce chemical usage. A separate IPM plan is not required if an annual IPM plan is completed which contains the scheme relevant material.

### **UA3: Benchmarking**

Complete an annual measuring and monitoring assessment to optimise business and environmental performance. Declare on RPW Online the industry recognised benchmarking tool you are using or complete an annual measuring and monitoring assessment from a standardised list of KPIs within the Farming Connect Benchmarking Tool. Farms with multiple sectors will complete a minimum of two sector specific KPIs per sector, as well as one whole farm section.

### **UA4: Continuous Professional Development**

Build on your existing skills and knowledge through learning on a range of subjects. A minimum of 6 hours of learning, plus an element of health and safety training each scheme year. The CPD must follow the SLM objectives. Learning styles to include discussion groups, masterclasses, accredited training, e-learning and mentoring. In the first year of the scheme, you will be required to undertake a Health and Safety online learning module.



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### **UA5: Habitat Maintenance**

Maintain the semi-natural, or newly created habitats on farm to benefit grazing livestock and wildlife. This includes semi-natural habitats including heathlands, wetlands and grasslands managed as pasture and hay fields. Provide an activity diary for each parcel of habitat covered by the UA; inclusive of livestock movements and should be kept for a period of five- years. Further habitat classification can be found [here](#).

### **UA6: Temporary Habitat Management**

Create additional temporary habitat on improved land to meet the scheme requirements for a minimum habitat area. Temporary habitats such as arable margins or herbal leys. All farms without the sufficient 10% will need to undertake this action to meet the minimum scheme requirements. Suitable habitats can be found [here](#). Relevant crop codes will need to be recorded within SAF and RPW Online; an active diary must be kept.

### **UA7: Designated Site Management Plan**

Improve the management of designated sites, including Sites of Special Scientific Interest (SSSI), by working with the Welsh Government and Natural Resources Wales to develop a management plan and agree a Schedule of Works. This action is applicable if the farm includes part, or all a designated site such as SSSI and you have management control of the site. No evidence will need to be provided, RPW and NRW will engage to produce management plans and schedule of works.

### **UA8: Hedgerow Management**

Encourage bigger and denser hedgerows to benefit livestock, crops and wildlife. Evidence to be shown through declaration on RPW Online, with visual inspections. Where a hedgerow is managed by cutting and trimming, hedges should be trimmed to a minimum of 5cm of additional growth; enabling the hedgerow to reach a width and height of 3m by 2m; at this period the options are to retain the size or let it grow further. Maintain or establish at least one hedgerow tree on average per parcel every 50m of hedgerow. Do not trim or cut the same hedgerow in two successive years; unless the hedge has reached the 3m x 2m width or is part of coppicing or laying. Do not cut hedges or trees (in the hedge) between 1st March and 31st August. There are exceptions for this in the parameters of safety.



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### UA9: Woodland Maintenance

Established broadleaf woodland maintained under this action can contribute towards the scheme requirement of 10% habitat. Limiting felling between the 1st September to 28th February, no more than 5m<sup>3</sup> per quarter, retaining a certain amount of deadwood to support natural regeneration. You will be asked to declare on your SAF where you do not have management responsibility for the woodland. If you do have management responsibility you will be asked to confirm via RPW Online that you have met the woodland maintenance requirements on areas where you do have management control. Woodland condition will be visually checked at inspection. Evidence of an exemption should be kept for a period of five years and be made available for inspection if requested. This could include, for example, a UKFS compliant management plan or felling licence, or photographs and / or any letters from the relevant competent authorities that show clearly why it was necessary to cut or trim trees between 1 March and 31 August.

### UA10: Tree and Hedgerow Planting

Complete an opportunity plan for planting additional trees as well as creating and restoring hedgerows across the farm. Create a tree and hedgerow planting opportunity map on RPW Online; identify areas of the farm which would benefit from new trees or hedgerows based on your knowledge and farming system. This must be completed within the first calendar year in the scheme, Progress of implementation needs to be demonstrated by the end of the 2028 scheme year, As a minimum 0.1ha or 250 trees must be planted by the end of 2028.

### UA11: Historic Environment

Protect and enhance important heritage features to conserve our distinctive cultural character. This action is applicable to those with scheduled monuments, historic environment features, registered parks and gardens, traditional farm buildings. Historic assets must be maintained. Further information is outlined [here](#).



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## UA12: Animal Health and Welfare

Work with your vet to monitor and support continuous improvement in livestock health and welfare. Animal Health Improvement Cycle (AHIC); Measure at least one livestock health or production metric which can be improved, working with the vet to agree an action plan, carry out and record measurable actions, and review with the vet to analyse the impact of actions. The AHIC must be signed by the farmer and the vet. Biosecurity assessment for incoming animals. Animal Welfare: complete training in Body Condition Scoring (BCS) and mobility scoring for the livestock classes kept. This can be completed through the SFS modules on Farming Connect or other approved training. The training must be undertaken at least once every five years. BCS and mobility scoring to be completed at least annually. These documents do not need to be submitted to RPW Online; however all records must be kept for a period of five years and be available for inspection. As part of UA12: Animal health and welfare – you are asked to undertake two hours of proficiency training at least every five years. If the person who undertakes the training is a business owner or partner, the two hours of training can count towards the required six hours of CPD under UA4, within the year the learning takes place. Learning by an employee who is not a business owner, partner or director would not count towards the required six hours.



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To participate in the SFS, you will need to undertake all UAs applicable to the farming business, exceptions are permitted under the following circumstances:

- UA1 is not applicable if your agriculturally improved land has not previously received or may not receive inputs (natural and artificial) or lime.
- UA2 is not applicable if plant protection products are not used on your land.
- UA6 is not applicable if you have enough existing habitat to meet the scheme requirement for 10% of your farm to be habitat.
- UA7 is not applicable if your farm does not contain a designated site such as a Site of Special Scientific Interest (SSSI).
- UA8 is not applicable if your farm does not have any hedgerows, although hedgerows are found on most farms in Wales.
- UA9 is not applicable if you have no existing woodland.
- UA11 is not applicable if you do not have any historic features.
- UA12 does not apply to you if you are an arable or horticulture business with no livestock.

**Eligible land** The SFS Universal Layer is a whole farm scheme. All available and eligible land must be declared on the annual Single Application Form (SAF), including landscape features such as scrub, scree, woodland, bracken, and other categories where relevant. The following features should also be recorded on the SAF, but are not eligible, and will not count towards the three eligible hectares needed to enter the scheme.

Description code	Crop
Ponds (ineligible)	ZZ30 (over 1 ha)
Rivers and streams	ZZ31
Buildings/yards	ZZ89
Hardstandings	ZZ92
Roads	ZZ94
Tracks (ungrazed)	ZZ97
Non-agricultural activities	NO1



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Universal Layer	Optional Layer	Collaborative Layer
<b>UA1</b> <b>Soil Health</b>	OA Improved soil health & multispecies ley OA Sustainable production OA Improved water quality, water usage and pollution OA Improved air quality and lowering ammonia emissions OA	CA Natural flood risk management interventions Targeted measures to improve water catchment scale; including improvements to soil health, pollution and minimising pesticide usage.
<b>UA2</b> <b>Integrated Pest Management</b>	OA Improved water quality, water usage and pollution	CA Targeted measures to improve water catchment scale; including improvements to soil health, pollution and minimising pesticide usage.
<b>UA3</b> <b>Benchmarking</b>	OA Sustainable production	
<b>UA4</b> <b>Continous Professional Development</b>	OA Advanced CPD	
<b>UA5</b> <b>Habitat Maintenance</b>	OA Enhanced habitat management	CA Improving common land, habitat management, and reduced fire risks. Coordinating landscape scale habitat creation and restoration Restoring and enhancing ecosystems at landscape scale Eradication of invasive non-native species
<b>UA6</b> <b>Temporary Habitat Creation</b>	OA Further creation of permanent and temporary habitats	CA Targeted measures to support the recovery of wildlife species, such as creating and establishing nesting and feeding habitat, or predatory controls/
<b>UA7</b> <b>Designated Site Management Plan</b>	OA	
<b>UA8</b> <b>Hedgerow Management</b>	OA Enhanced hedgerow creation and restoration	
<b>UA9</b> <b>Woodland Maintenance</b>	OA Enhanced woodland management	
<b>UA10</b> <b>Tree and Hedgerow Planting</b>	OA Woodland and agroforestry creation OA Enhanced hedgerow creation and restoration	
<b>UA11</b> <b>Historic Environment</b>	OA Implementation of Designated Site Schedule of Works	CA Protecting and enhancing access to the historic environment and restoration of historic landscape features
<b>UA12</b> <b>Animal Health &amp; Welfare</b>	OA Enhanced biosecurity	
<b>Other Actions</b>	OA Improved public access to the countryside OA Organic farming conversion	CA Improving access to the countryside through enhancing public paths, open access land and green spaces

## Sustainable Farming Scheme Payments

### Universal Baseline Payments

The Universal Baseline Payment reflects the costs incurred and income foregone for undertaking the Universal Actions, and consist of three separate categories as follows:

#### Whole Farm Payment

Tiered payment rate, covering the eligible area of the whole farm. Inclusive of common land apportioned in a similar way to the current BPS.

#### Habitat Maintenance Payment

A single payment rate per hectare for existing woodland managed in accordance with UA9 (excluding common land).

#### Woodland Maintenance Payment

The Habitat and Woodland Maintenance Payments are eligible on Sites of Special Scientific Interest (SSSI) but not on areas under agreement with the Welsh Government or other regulatory bodies where a maintenance / revenue payment is already received (annually or as a single cumulative payment).

Whole Farm Payment - £70 per hectare for the first 70 hectares of eligible land, and then £2 per hectare for all remaining eligible land. This includes Common land apportioned in a similar way to the current BPS, if you have a legal right to use that land for grazing stock. Social Value Payment - £107 per hectare for all eligible land. Habitat Maintenance Payment - £69 per hectare for all habitat maintained as part of UA5: Habitat maintenance or for habitat created under UA6: Temporary habitat creation on improved land to meet the Scheme Requirement for 10% habitat on each farm. Woodland Maintenance Payment - £62 per hectare for all woodland maintained as part of UA9: Woodland maintenance (excluding those tenants who do not have full management control of the woodland). We will publish the payment mechanisms and rates for the Optional and Collaborative Actions as they are made available.



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## How does SFS compare to BPS?

The Basic Payment Scheme will be phased out entirely by the end of 2029. Farmers cannot dual claim SFS and BPS entitlements; as SFS has been designed to replace the SFS. Once farmers have transitioned to SFS, they cannot revert back.

### The previous eligibility for BPS:

To be eligible to claim payment under the Basic Payment Scheme a Welsh claimant must:

- Must meet the definition of a Farmer but “Active Farmer” rule no longer applies from 2021;
- Have at least 5ha of eligible agricultural land;
- Hold enough entitlements to match the eligible land they wish to claim on;
- Be carrying out ‘agricultural activity’ on the land they wish to claim on;
- Have the land at their disposal on the 15th of May in the year they wish to make a claim (or the next working day if this is a weekend);
- Submit an online Single Application Form (SAF) by the 15th of May deadline (or the next working day if this is a weekend)
- Must meet Cross Compliance rules on whole holding for the whole scheme year.

The BPS scheme will be reduced 20% each year from 2026, with its entire phase out by 2029. If a farmer decided to remain on the BPS scheme, their payments will of reduced by 80% by 2028. The BPS Entitlement Value, Redistributive Payment and the Young Farmer Payment will be phased out incrementally over a three-year period, with an initial 40% taper in 2026, followed by 20% tapers in 2027 and 2028. These tapers will be applied to the values calculated under the BPS in 2025. BPS Entitlement value, Redistributive Payment and Young Farmer Payment rates will be:

- 100% in 2025
- 60% in 2026
- 40% in 2027
- 20% in 2028

The final available BPS claim will be in 2028.

There will be no BPS application or payment in 2029.