NFU CYMRU SUMMARY - Welsh Government Sustainable Farming Scheme (SFS): Scheme Description (2025)

SFS Outline:

- Universal Actions (UAs) required of all participants in the Scheme.
- **Optional Actions** offering farmers the opportunity to go further.
- Collaborative Actions offering the opportunity to work with others to deliver change on a larger scale.

This three-layered structure is built upon **Scheme Requirements**, as follows:

SFS Regulatory Baseline – Cross Compliance plus regulations covering public access and the control of invasive non-native species

Universal Code – framework of non-regulatory requirements which SFS applicants must adhere to

Scheme Requirement to have 10% habitat

Farm level carbon baseline (2nd year of Scheme)

Universal Actions

UA1 – Soil Health

UA2 – Integrated Pest Management (IPM)

UA3 - Benchmarking

UA4 - Continuous Professional Development (CPD)

LIA5 - Habitat Maintenance

UA6 – Temporary habitat creation on improved land

IIA7 - Designated Site Management Plans

UA8 – Hedgerow management

IIAQ - Woodland maintenance

UA10 – Tree and Hedge Planting Opportunity Plan

IIA11 - Historic environment

UA12 - Animal Health & Welfare

Payments

Farmers will need to carry out Universal Actions & Scheme Requirements to receive the **Universal Payment**.

The Universal Payment comprises:

Whole Farm Payment - £70 per ha for the first 70ha, £2 per ha for all remaining eligible land, including Common land based on rights apportioned

Social Value Payment – £107 per ha for all eligible land

Habitat Maintenance Payment - £69 per ha for habitat maintained as part of UA5 or created under UA6

Woodland Maintenance Payment - £62 per ha for all woodland maintained as part of UA9

Farms joining the Scheme in 2026, with 100 ha or less will receive an additional £1000 as a one-off stability payment.

Capping will be applied:

Up to £25,000 – 0%

£25,000 to £50,000 – 5%

£50,000 to £150,000 - 10%

£150,000 to £200,000 - 15%

£200.000 to £250.000 - 30%

£250.000 to £300.000 - 55%

Over £300,000 - 100%

(Expected Universal Payment Rates for the first year of the scheme)

Scheme Eligibility

- Have 3 ha or more than 550 standard labour hours
- Management control for at least 10 months

SFS application process

- RPW Online annual declaration of land at disposal for Universal layer (SAF approach)
- Meet conditions of UA & Scheme Requirements
- Separate agreements for Optional and Collaborative layers

SFS Transition and BPS phase-out

- Scheme starts 1 January 2026
- From 2026 farmers choose either SFS or BPS

BPS phase out starting in 2026 as follows:

100% in 2025

60% in 2026

40% in 2027

20% in 2028

0% in 2029

Next steps

Impact Assessment and Detailed Scheme Guidance will be published later in 2025.

More information: NFU Cymru (nfu-cymru.org.uk)

Sustainable Farming Scheme 2026: scheme description





