

Welsh Government (WG) has published its interim position on the SFS, reflecting feedback from the consultation earlier this year.

## SFS Outline:

**Universal Actions** – 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.

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

## Universal Payment comprising:

**Universal Baseline Payment** – paid against the whole farm taking account of improved land, areas of woodland and habitat and any common land grazing rights, based on cost incurred, income forgone calculations

## Plus

**Social Value Payment** – in addition to any costs incurred and income forgone, a payment that reflects the benefits produced for wider society.

Rates announced in 2025 with final scheme detail.

## Revised Universal Actions & Requirements

UA1 – Benchmarking  
UA2 – Continuous professional development (CPD)  
UA3 – Soil Health Planning  
UA5 – Integrated Pest Management  
UA7 – Habitat Maintenance  
UA8 – Create temporary habitat on improved land  
UA9 – Designated Site Management Plans  
UA11 – Hedgerow management  
UA12 – Woodland management  
UA13 – Tree Planting and Hedgerow Creation Opportunity Plan  
UA14 – Historic environment  
UA15 – Animal Health & Welfare

**Scheme Rule** – At least 10% of each farm is managed as habitat from first year of entry

**Farm Carbon Assessment** (under development)

## Key changes:

### UAs removed:

UA4: Multispecies cover crop  
UA6: Managing heavily modified peatland  
UA10: Ponds and scrapes  
UA16: Good animal welfare (merged with UA15)  
UA17: Good farm biosecurity (merged with UA15)

Scheme Rule for 10% tree cover removed and replaced with UA13: Tree Planting and Hedgerow Creation Opportunity Plan and progress by 2030

Payments on SSSIs

Universal Baseline Payment on common land

## Scheme Eligibility

- Have 3 ha or more than 550 standard labour units
- 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 & Universal Code
- Separate agreements for Optional and Collaborative layers

## SFS Timeline

2025 Preparatory Phase including:

- Continuation of BPS (budget to be confirmed)
- HWS
- HWS Commons
- Organic Support Payment
- Integrated National Resources Scheme
- Small Grant Scheme application windows

2026-2029 Transition Period:

- Scheme starts 1 January 2026
- From 2026 farmers can choose either SFS or BPS
- BPS phased out in incremental reductions (20% per year) starting in 2026.

## Next steps

WG will now undertake economic analysis and impact assessment of the revised proposals. Welsh Ministers will make final scheme decisions next summer, when the final scheme details and payment rates will be published.

More information: [NFU Cymru \(nfu-cymru.org.uk\)](https://www.nfu-cymru.org.uk)