



Department
for Environment,
Food & Rural Affairs

Farming and Countryside Programme annual report

1 April 2024 to 31 March 2025

Date: September 2025



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Presented to Parliament pursuant to Chapter 1, Section 5 of the Agriculture
Act 2020

Date: September 2025

We are responsible for improving and protecting the environment. We aim to grow a green economy and sustain thriving rural communities. We also support our world-leading food, farming and fishing industries.

Defra is a ministerial department, supported by 34 agencies and public bodies.



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Introduction

Chapter 1, Section 5 of the Agriculture Act 2020 places a duty on the Secretary of State to lay and publish an annual report providing information about the financial assistance given over the previous financial year.

This is the fourth annual report and relates to financial year 2024 to 2025.

The policy context

The agricultural transition began in 2021, with the Farming and Countryside Programme (FCP) moving England away from the EU's Common Agricultural Policy (CAP) and phasing out subsidies for land ownership and tenure.

Throughout 2024 to 2025 FCP continued to maintain and introduce new offers. The programme prioritised investment to support the government's 'Plan for Change' and build on the work to reform Defra to drive growth. All while maintaining a steadfast commitment to farming, food security, and nature's recovery.

What FCP delivered in 2024 to 2025

During 2024 to 2025 FCP continued to support farmers and land managers in the transition towards more sustainable farming, helping to restore nature. This is vital to safeguard our long-term food security, support productivity and build resilience to climate change.

FCP's offers

In 2024 to 2025 FCP continued to invest in its schemes as well as standing up additional support, such as the one-off Farming Recovery Fund.

Further details of what FCP delivered during 2024 to 2025 are set out in this section.

Direct Payments

Delinked Payments

Payments were made to approximately 82,000 recipients for the 2024 scheme, which represents 99.8% of eligible businesses.

Lump Sum Exit Scheme

Continued payments to farmers who completed their exit from farming, totalling over 1,200 farmers since the start of the scheme in 2022.

Environmental Land Management

Agri-environment schemes (Environmental Stewardship (ES) and Countryside Stewardship (CS))

Continued to make payments to farmers with ES, CS and Higher Level Stewardship (HLS) agreements, as well as funding CS Capital grants.

These payments will help to:

- protect and enhance habitats like wildflower meadows, hedgerows and ponds
- prevent nitrates, phosphates, and sediment from entering watercourse by maintaining buffer strips and low-input grasslands
- maintain traditional landscape features such as dry-stone walls, ancient woodlands, and historic field boundaries

By 31 March 2025:

- 31,896 (92.4%) of CS revenue payments had been issued
- 5,781 (97.31%) ES payments had been made

Natural England and Forestry Commission started to provide pre-application support to customers ahead of the launch of the new CS Higher Tier scheme in September 2025.

Capital grants supported items including:

- 7,638 kilometres (km) of sheep netting, protecting environments and helping to manage habitats
- planting 1,062km of new hedges
- planting 1,338,720 trees
- 26km of machinery and livestock hardcore tracks to reduce runoff and sediment entering watercourses

Sustainable Farming Incentive (SFI)

By 1 April there were:

- over 39,000 live SFI agreements (25,300 agreements in SFI23 and 14,000 agreements in SFI Expanded Offer)
- 32,600 farming businesses in SFI

This means:

- 885,000 hectares (ha) of arable land farmed without insecticides
- 330,000ha of low input grassland managed sustainably
- 85,000km of hedgerows protected and restored

Landscape Recovery

Landscape Recovery will support large-scale, collaborative and long-term approaches to producing environmental and climate benefits. It will support outcomes that take a long time to deliver, such as:

- peatland restoration
- river restoration
- woodland management
- habitat restoration

Several round 1 projects completed the Project Development Phase (PDP) and entered the negotiation process for implementation agreements. Other projects worked hard to complete their 6 project plans (deliverables) for submission in 2025 to 2026.

The 34 round 2 projects progressed through the first year of the PDP with support from Natural England, the Environment Agency and the Forestry Commission.

Slurry Management Grants

We paid out £10 million in slurry management grants in 2024 to 2025. This includes:

- the Slurry Infrastructure Grant, supporting livestock farmers to build or upgrade slurry stores, including the installation of covers
- the Farming Equipment and Technology Fund (FETF) for slurry equipment. These grants help farmers improve how they collect, store, test, and spread slurry

Nature for Climate Fund (NCF) tree grants including England Woodland Creation Offer (EWCO) and Biodiversity

FCP funding helped to support the delivery of several NCF projects, including:

- the Community Forests
- supporting the Forestry Commission's area team in advertising NCF's offers, advising on the best routes for tree planting, and improving uptake of our grant offers
- modernising and expanding nurseries growing the tree stock that is required to deliver the statutory tree planting target. This acts as a boost to our own internal forestry sector whilst reducing the dependence on imported trees that present a biosecurity risk
- ensuring that the forestry sector has enough skilled foresters in the sector to deliver the statutory tree planting target, this is achieved primarily through apprenticeships
- regulatory capacity
- uplifts to EWCO payment rates

Water management grants (Internal Drainage Boards (IDB) Fund)

The IDB Fund delivered 200 projects between July 2024 and March 2025.

Over 200,000 homes and businesses are now benefiting from repaired and improved flood and land drainage assets, supporting effective water level management. Improving flood resilience and water level management across 400,000ha of agricultural land through asset, watercourse, and flood embankment repairs.

Projects have extended IDB flood defence and water level management asset life by an average of 27 years, with 66% of projects reporting 10-to-60-year asset life improvement.

Significant future damages and impacts of flooding have been avoided. This is estimated at more than £10 billion.

Farming in Protected Landscapes

Over 2,300 projects supported, engaging over 4,500 farmers and land managers operating in and around the 44 Protected Landscapes in England.

Programme achievements over 2024 to 2025 included:

- approximately 85,000 metres of new hedgerow planted
- approximately 78,000 new trees planted
- 293 ponds created or restored
- 527 projects delivered to reduce flood risk
- 32 new permissive paths created
- approximately 9,600 metres of dry-stone walling restored
- 79 approved projects and £10 million awarded for historic farm building restoration

Pilots and Tests and Trials

5 new tests and trials were delivered as part of a bespoke local delivery project. These were aimed at exploring existing local structures and assessing their potential to support delivery functions at the county or landscape scale.

Funding was provided for 16 additional tests and trials, each designed to evaluate specific ideas and components within real farming environments.

These trials involved diverse user groups across varying geographies, testing their applicability for inclusion in Environmental Land Management and wider FCP policies. This includes trialling innovative or unproven approaches, offering a controlled space to test, fail, and learn in support of more effective scheme design.

The completion of 12 tests and trials during 2024 to 2025, generating valuable evidence and insights to inform the development of future policy and delivery planning.

For the SFI Pilot:

- 762 SFI Pilot agreements successfully concluded
- SFI Pilot actions delivered across 85,541ha of land and 2,700km of hedgerows

- these generated substantial environmental benefits for arable and grassland wildlife and soils, as well as for hedgerows, waterbodies, and woodland
- 137,000 learning hours delivered, with high levels of farmer engagement

Environmental advice and facilitation

Defra has partnered with the environmental advisers register BASIS to upskill advisers around the management of upland and lowland peatland. This is so they can better support farmers and land managers to benefit from opportunities such as restoration and paludiculture.

Following annual monitoring and feedback we introduced a new partnership between the Farming Advice Service (FAS) and Catchment Sensitive Farming (CSF). This includes developing an improved and joined-up FAS and CSF website, resulting in a 760% increase in users.

Animal Health and Welfare

Animal Health and Welfare Review, Endemics and grants

Animal Health and Welfare grants:

- launched 2 infrastructure grants, delivered under the Farming Investment Fund to improve calf housing and laying hen housing
- launched a third round of the small equipment and technology grant, alongside productivity and slurry themes

Animal Health and Welfare Review and endemic disease follow-up:

- opened the 'Get funding to improve animal health and welfare' service
- iterated it twice, first adding dairy functionality, then allowing multiple species to be claimed for under the same agreement
- paid over 3,000 claims across 2024 to 2025, with over 5,000 agreements now in place

Livestock Information Service

Draft Livestock Information Transformation Programme Phase 1 Business Case approach is confirmed.

Phase 1 will enable replacement of existing legacy systems and the delivery of a UK View platform to ensure join-up of UK data across the devolved administrations.

Over 2024 to 2025 we also:

- developed a phased delivery approach for Livestock Information Service (LIS)
Cattle

- developed an app for iPad, ready to pilot in-field access to livestock information for frontline users across Defra Group, including APHA Inspectors
- refined the approach to cattle identification and traceability in England, with work ongoing to inform ministerial announcements on livestock-related legislation

Productivity and Innovation

Farming Investment Fund (FIF)

FIF has paid out £45.8 million across all FIF productivity schemes. This includes:

- £32.5 million for FETF small grants
- £13.4m for large grant schemes, including one round of grants for Adding Value, two rounds of Improving Farm Productivity, and two rounds of Water Management

FIF productivity scheme spend of £45.8 million includes accruals made at year end 2024 to 2025, the majority of which had been paid by the middle of June 2025. This aligns with the published figures in the Rural Payments Agency Annual Report and Accounts.

Through the Smaller Abattoir Fund, 46 grant funding agreements were issued to small abattoirs and £280,000 of grant funding was paid out.

Through the Farmer Welfare Grant 7 organisations and charities received a total of £325,000. Over 2,100 beneficiaries have been engaged, both proactively and reactively, with support for mental ill health. This was through a mixture of training, workshops, one-to-one support and social events. Up to 15,000 individuals were reached through digital resources.

Farming Innovation Programme (FIP)

A £15 million thematic competition launched in May 2024 focused on nutrient management. This competition attracted 84 applications.

29 projects were funded, involving 98 organisations. These projects began their work in January 2025 and will run for up to 3 years.

Future Farm Resilience Fund (FFRF)

Detailed one-to-one business advice provided to over 5,600 farmers through our FFRF in 2024 to 2025, with the scheme ending in March 2025.

The Institute for Agriculture and Horticulture (TIAH)

Over 2024 to 2025 TIAH:

- launched TIAH's group membership in October 2024, in response to member feedback
- launched a nutrient management learning package for farmers

- had over 700 people engaged in virtual work experience, 90% of whom were not from rural or coastal regions.

Rural England Prosperity Fund (REPF)

The REPF helped new and existing rural businesses to develop new products and facilities that will be of wider benefit to the local economy as well supporting new and improved community infrastructure. This includes farm businesses looking to diversify income streams.

Common Market Organisation Support and Horticulture

The Animal and Plant Health Agency's National Bee Unit continued to deliver the Apiculture Programme to beekeepers and bee farmers.

29 fruit and vegetable producer organisations were supported under the Fruit and Veg Aid Scheme to a value of £34 million.

141 different school milk scheme claimants and 11,501 schools were supported in England, to a value of £2 million.

Farming Recovery Fund

Payments made to over 12,500 farm businesses to help them recover from the impacts of the exceptional flooding from:

- Storm Babet
- Storm Henk
- the extreme wet weather over the 6-month period between October 2023 and March 2024

Working with and learning from farmers

In 2024 to 2025 FCP continued its engagement with farmers, experts and others in the farming sector. For instance, FCP:

- attended 29 agricultural shows and 37 regional events, engaging with various agricultural sectors across England and online
- delivered 45 speaking requests. We accepted requests for speakers from a wide range of stakeholders that range from farmer networks through to large member organisations
- developed a network of over 1,100 trusted intermediaries which we use for specific sectors, for example, vets, banks, agronomists, livestock, supermarkets, and agricultural colleges
- held 12 senior roundtable forums with our top 6 stakeholders and 6 programme forums with our 30 stakeholders

- published 75 blog posts in 2024. This is the equivalent of publishing at least once a week (1.4 times per week)
- produced 14 videos including SFI farmer case study videos that featured in the SFI campaign and had more than 46,000 views on YouTube and Facebook
- developed a new format for SFI action farmers' tips videos and Artificial Intelligence (AI)-voiced audio versions of SFI guidance which we are now ready to roll out in 2025
- achieved 22,500 total downloads over 15 episodes on the Defra Farming podcast. This year's most popular episode was 'Improving animal health and welfare on your farm' with 1,144 downloads
- held 216 calls with stakeholders through bilateral account management and influencer calls
- established engagement plans for each policy area, scheme and grant

Over 2024 to 2025 FCP also:

- supported the transition away from the CAP with new hedgerow management regulations which came into effect on 23 May 2024. These provide a consistent approach to managing hedgerows across agricultural land in England
- published our response to the independent review of protected site management on Dartmoor, in April 2024. We agreed with the recommendation to create a land use management group
- began the development of the farming roadmap 'Farming 2050: Growing England's Future'. The farming roadmap will provide a vision for our farming sector over the next 25 years and set the direction for how we get there. It will have a focus on delivering our food security and environmental objectives and supporting farms to be resilient and profitable

What FCP spent in 2024 to 2025

Financial commentary

In 2024 to 2025, FCP spent a total of £2.6 billion, of which £1,771 million was spent under the powers of the Agriculture Act 2020.

Tables 1 to 6 set out total scheme spend for 2024 to 2025.

Table 1: Direct Payments spend for 2024 to 2025 (£million)

Scheme	Total Spend (£million)	Agriculture Act Spend (£million)	Other legislative powers (£million)
Delinked Payments	811	811	0

Scheme	Total Spend (£million)	Agriculture Act Spend (£million)	Other legislative powers (£million)
Lump Sum Exit Scheme	2	2	0

The total spend for Direct Payments was £813 million of which Agriculture Act spend was £813 million.

Table 2: Environmental Land Management scheme spend for 2024 to 2025 (£million)

Scheme	Total Spend (£million)	Agriculture Act Spend (£million)	Other legislative powers (£million)
Agri-environment schemes (ES and CS)	906	526	380
Sustainable Farming Incentive	305	305	0
Landscape Recovery	15	15	0
Slurry Management Grants	10	10	0
NCF tree grants (including EWCO) and biodiversity	18	0	18
Water management grants (IDBs)	54	0	54
Farming in Protected Landscapes	49	0	49
Pilots and Tests and Trials	19	19	0
Environmental advice and facilitation	18	0	18

The total spend for Environmental Land Management schemes was £1,394 million of which Agriculture Act spend was £875 million and other legislative powers made up £519 million.

Table 3: Animal Health and Welfare spend for 2024 to 2025 (£million)

Scheme	Total Spend (£million)	Agriculture Act Spend (£million)	Other legislative powers (£million)
Animal Health and Welfare grants	20	20	0
Livestock Information Service	63	0	63

The total spend for Animal Health and Welfare was £83 million of which Agriculture Act spend was £20 million and other legislative powers made up £63 million.

Table 4: Productivity and Innovation spend for 2024 to 2025 (£million)

Scheme	Total Spend (£million)	Agriculture Act Spend (£million)	Other legislative powers (£million)
Farming Investment Fund	46	46	0
Farming Innovation Programme	29	0	29
Farm Resilience Fund	17	17	0
Institute for Agriculture and Horticulture	2	0	2
Rural England Prosperity Fund	78	0	78
Common Market Organisation Support and Horticulture	43	0	43
Farming Recovery Fund	59	0	59

The total spend for Productivity and Innovation was £274 million of which Agriculture Act spend was £64 million and other legislative powers made up £210 million.

Table 5: Technical assistance spend for 2024 to 2025 (£million)

Scheme	Total Spend (£million)	Agriculture Act Spend (£million)	Other legislative powers (£million)
Technical assistance	40	0	40

Table 6: Total scheme spend for 2024 to 2025 (£million)

Scheme	Total Spend (£million)	Agriculture Act Spend (£million)	Other legislative powers (£million)
Total farming budget spend 2024 to 2025	2,604	1,771	833

Annex 1 sets out total FCP spend for years 2020 to 2021, 2021 to 2022, 2022 to 2023 and 2023 to 2024 compared to 2024 to 2025.

Legal basis for spend

The programme continues to introduce new schemes and offers based on domestic powers and close old schemes which rely on EU powers or in some cases, other domestic powers, such as the Environment Act 1995 and the Natural Environment and Rural Communities Act 2006. As that transition progresses, we will see an increasing level of spend through the powers provided by the Agriculture Act.

Annex 1: Spend over time

Table 7: Total Direct Payments spend from 2020 to 2021 to 2024 to 2025

Scheme	2020 to 2021 Total Spend (£million)	2021 to 2022 Total Spend (£million)	2022 to 2023 Total Spend (£million)	2023 to 2024 Total Spend (£million)	2024 to 2025 Total Spend (£million)
Basic Payment Scheme and Delinked Payments	1,873	1,654	1,370	1,088	811
Lump Sum Exit Scheme	0	0	14	9	2

The total spend for Direct Payments was:

- £1,873 million in 2020 to 2021
- £1,654 million in 2021 to 2022
- £1,384 million in 2022 to 2023
- £1,098 million in 2023 to 2024
- £813 million in 2024 to 2025

Table 8: Total Environmental Land Management spend from 2020 to 2021 to 2024 to 2025

Scheme	2020 to 2021 Total Spend (£million)	2021 to 2022 Total Spend (£million)	2022 to 2023 Total Spend (£million)	2023 to 2024 Total Spend (£million)	2024 to 2025 Total Spend (£million)
Agri-environment schemes (ES and CS)	427	448	558	687	906
Sustainable Farming Incentive	0	0	0	30	305
Landscape Recovery	0	0	1	6	15
Slurry Management Grants	0	0	0	0	10

Scheme	2020 to 2021 Total Spend (£million)	2021 to 2022 Total Spend (£million)	2022 to 2023 Total Spend (£million)	2023 to 2024 Total Spend (£million)	2024 to 2025 Total Spend (£million)
NCF tree grants (including EWCO) and Biodiversity	0	0	14	23	18
Water Management Grants (IDBs)	0	0	0	0	54
Farming in Protected Landscapes	0	11	20	27	49
Pilots and Tests and Trials	6	3	16	16	19
Environmental advice and facilitation	0	11	13	16	18

The total spend for Environmental Land Management schemes was:

- £433 million in 2020 to 2021
- £472 million in 2021 to 2022
- £623 million in 2022 to 2023
- £806 million in 2023 to 2024
- £1,394 million in 2024 to 2025

Notes about table 8

The 'Agri-environment schemes (ES and CS)' 2023 to 2024 total includes a £13 million adjustment from what was presented in last year's report. This is due to a classification adjustment for Catchment Sensitive Farming spend that is now captured under 'Environmental advice and facilitation'.

Table 9: Total Animal Health and Welfare spend from 2020 to 2021 to 2024 to 2025

Scheme	2020 to 2021 Total Spend (£million)	2021 to 2022 Total Spend (£million)	2022 to 2023 Total Spend (£million)	2023 to 2024 Total Spend (£million)	2024 to 2025 Total Spend (£million)
Animal Health and Welfare grants	0	0	0	13	20

Scheme	2020 to 2021 Total Spend (£million)	2021 to 2022 Total Spend (£million)	2022 to 2023 Total Spend (£million)	2023 to 2024 Total Spend (£million)	2024 to 2025 Total Spend (£million)
Livestock Information Service	11	23	25	42	60

The total spend for Animal Health and Welfare was:

- £11 million in 2020 to 2021
- £23 million in 2021 to 2022
- £25 million in 2022 to 2023
- £56 million in 2023 to 2024
- £83 million in 2024 to 2025

Table 10: Total Productivity and Innovation spend from 2020 to 2021 to 2024 to 2025

Scheme	2020 to 2021 Total Spend (£million)	2021 to 2022 Total Spend (£million)	2022 to 2023 Total Spend (£million)	2023 to 2024 Total Spend (£million)	2024 to 2025 Total Spend (£million)
Farming Investment Fund	0	2	35	34	46
Farming Innovation Programme	0	3	15	17	29
Farm Resilience Fund	1	5	8	11	17
Institute for Agriculture and Horticulture	0	2	2	1	2
Rural England Prosperity Fund	64	75	58	37	78
Common Market Organisation Support	55	37	39	36	43
Farming Recovery Fund	0	0	0	0	59

The total spend for Productivity and Innovation was:

- £120 million in 2020 to 2021
- £125 million in 2021 to 2022
- £157 million in 2022 to 2023
- £137 million in 2023 to 2024
- £274 million in 2024 to 2025

Table 11: Technical assistance spend from 2020 to 2021 to 2024 to 2025

Scheme	2020 to 2021 Total Spend (£million)	2021 to 2022 Total Spend (£million)	2022 to 2023 Total Spend (£million)	2023 to 2024 Total Spend (£million)	2024 to 2025 Total Spend (£million)
Technical assistance	13	20	40	40	40

Table 12: Total FCP spend from 2020 to 2021 to 2024 to 2025

FCP	2020 to 2021 Total Spend (£million)	2021 to 2022 Total Spend (£million)	2022 to 2023 Total Spend (£million)	2023 to 2024 Total Spend (£million)	2024 to 2025 Total Spend (£million)
Total farming budget spend	2,450	2,294	2,230	2,136	2,604

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