



Department  
for Environment,  
Food & Rural Affairs

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24 June 2025

Dear James,

Thank you for your letter of 14 May to the Secretary of State on behalf of the South Suffolk farming community about government's approach to agricultural policy. I am replying as the Minister responsible for this policy area.

Thank you for sharing your feelings about the recent closure of the Sustainable Farming Initiative (SFI) to new applications. As you will be aware, we announced on 11 March that the current SFI budget has been fully allocated. This is why we are no longer accepting new SFI applications, aside from applications begun on or after 12 January but not submitted as at 11 March. More details of this announcement can be found on our farming blog [here](#).

In your letter, you express concern about the government's commitment to support for farmers and to delivering on our environmental targets. I would like to assure you that right now, more money is being spent on sustainable farming than ever before. We remain committed to investing £5 billion of funding in the farming budget which this government secured over a two-year period for sustainable farming and nature. More than 50,000 farm businesses and more than half of all farmed land is now being managed in Environmental Land Management (ELM) schemes, including over 38,000 multi-year live SFI agreements covering 4.3 million hectares of land. This means 800,000 hectares of arable land is being farmed without insecticides, reducing harm to pollinators and improving soil health. It means 300,000 hectares of low input grassland are managed sustainably, helping to protect biodiversity and improve water quality, and it means 75,000 kilometres of hedgerows are being protected and restored, providing essential habitats for wildlife, improving carbon storage and strengthening natural flood defences.

Not only is SFI delivering sustainable food production and nature's recovery for today and the years ahead, it is also putting money back into farmers' pockets. All existing SFI agreement holders will continue to be paid under the terms of their agreement for its duration. Therefore, if a farmer entered a three-year SFI agreement earlier this year, they will be paid until 2028.

Thank you for sharing your concerns that farmers may not want to participate in the SFI going forward, and for sharing your constituents' recommendations regarding modifications we might make to the scheme. The government remains committed to ELM schemes, including SFI. Defra will be working closely with farmers and industry stakeholders to design a future SFI offer that fairly and responsibly directs funding. This future SFI offer will build on what has made SFI effective so far. Further details about the reformed SFI offer will be announced following the spending review in summer 2025.

We are also investing in other schemes. For example, we are investing in grants to support research and innovation, technology and equipment for farmers, and standalone Capital Grants, which are expected to be at their highest level in 2024/25 and will reopen this summer after a short pause. We are rolling out an improved Countryside Stewardship Higher Tier scheme later this year. We will open the rolling application window for Higher Tier in summer 2025, and we have started inviting farmers and land managers to begin the pre-application process.

We are increasing payment rates for existing Higher Level Stewardship agreements, investing in around 50 Landscape Recovery projects, and continue to fund the England Woodland Creation Offer and Tree Health pilot. We are expanding the Animal Health and Welfare Pathway, with more funded vet visits now available to farmers, and extending the Farming in Protected Landscapes programme until March 2026. More information on how we are using our budget to support farmers is in our farming blog [here](#). Information on grants and schemes currently available or upcoming is on our [Funding for Farmers](#) webpage.

What is more, through our new deal for Farmers, we are working to support growth and return farm businesses to profitability. We have extended the Seasonal Worker Visa Scheme for five years; outlined plans to back British produce across the public estate; protected farmers in trade deals; committed £110 million in farming grants to improve productivity, trial new technologies and drive innovation in the sector. We are making good progress in appointing a Commissioner for the Tenant Farming Sector to help embed fair practice across the sector, and expect to be able to make an announcement on this shortly. We have made the supply chain fairer, including new regulations for the pig sector; and provided over £200 million for a new National Biosecurity Centre to protect farms against animal diseases.

Going forward, we have also set up a Farming Profitability Unit in Defra. Through this unit, we will work with farmers and other industry stakeholders from across all sectors and regions to understand the barriers farmers face to increasing profits through farming. We will examine how farmers can embrace innovation, improve productivity and market access, how the supply chain can support a more profitable farming sector through greater transparency, collaboration and a fairer distribution of risk, rewards and responsibility.

You also express concern about Inheritance Tax. When the Chancellor delivered the UK Budget on 30 October 2024, it was necessary to take decisions on tax, welfare and spending. These were needed to fix the foundations and deliver change. This has included a series of decisions on tax which protect the payslips of working people.

This is possible by making changes to other taxes such as Agricultural Property Relief, previously available to all agricultural property at a rate of 100%. Currently, the largest estates pay a lower effective Inheritance Tax rate than smaller estates. This is not fair nor sustainable. We know the current rules have been used by wealthy landowners to avoid Inheritance Tax.

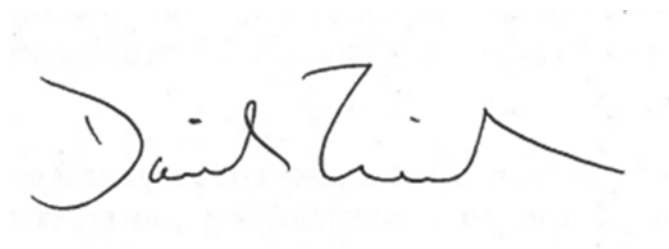
I appreciate your concern that family farms may be affected. The majority of farmers will not be affected by these changes at all. Depending on people's individual circumstances, up to £3 million can be passed on by two people free of inheritance tax. Anything beyond that will be taxed at 20%, rather than the usual 40% normal rate of inheritance tax. This tax can be paid in instalments over 10 years, rather than immediately. Together, these provisions mean most farmers will be able to pass the family farm down to their children just as previous generations have always done. We believe this is a fair and balanced approach that protects family farms while also fixing the public services those same families rely on.

You also express concern about the impacts of our policies on mental health in rural communities. Defra are continuing to fund the Farmer Welfare Grant. This funds charities to deliver projects which will support mental health and build resilience in local farming communities. One charity, the Lincolnshire Rural Support Network, is in receipt of funding and actively delivering projects specifically tailored to engage and support young people living, entering and working within the farming industry. The project will focus on education, resilience and the provision of 1:1 support.

What is more, for 2025/26, total government mental health spending is forecast to amount to £15.6 billion. This represents a significant uplift of £680 million in cash terms in spending on mental health compared to the previous financial year. In addition, integrated care boards, including those with rural areas, are forecast to meet the Mental Health Investment Standard over the 2025/26 financial year, meaning that local health services will invest a greater share of their budgets into frontline mental health services.

As part of our commitment to mental health, the government will hire 8,500 new mental health support workers. This will give mental health the same attention and focus as physical health, reduce delays and provide faster treatment closer to people's homes. I hope this gives your constituents the reassurance they seek.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Daniel Zeichner', with a stylized flourish at the end.

**DANIEL ZEICHNER MP**