

Member briefing: 6 July 2022

Draft Sustainable Farming Scheme

Purpose of document

This document provides a summary of the Welsh Government's proposals. The full document and the Rural Affairs Minister's press release can be found at the links below:

<https://gov.wales/sites/default/files/publications/2022-07/sustainable-farming-scheme-outline-proposals-for-2025.pdf>

<https://gov.wales/landmark-new-farm-support-proposals-wales-announced>

Introduction

Welsh Government have announced the details of the Sustainable Farming Scheme. This is a significant moment for rural businesses in Wales after three consultations to determine what will succeed the Basic Payment Scheme and Glastir agri-environment programme. The document, published on the 6 July 2022, provides details on the scheme's structure, what it will pay for, the application process and the transition from the Basic Payment Scheme and agri-environment.

It is pleasing to see that many principles that we have established through consultation with our members are contained within the document. These include the focus on sustainably produced food, farm viability and the ability for the landowner and farmer to determine what environmental benefits can be delivered on their land. We are also pleased to see the commitment to test and trial aspects of the scheme before full roll out and long-term contracts of five years. What is frustrating however is the lack of detail on payment rates and we have made that point clear to Welsh Government during recent meetings. Officials have stated that details of the payment rates will be provided before following the final consultation in 2023. We are determined to continue to lobby both Welsh Government and UK Government to ensure funding provided for farming matches the scale of need to provide sustainably produced food amongst biodiversity and climate emergencies.

What happens next?

The upcoming Royal Welsh Show provides a great opportunity for us and our membership to discuss these proposals with Welsh Government and fellow farmers and landowners. There is also another phase of co-design where individual farmers can work directly with Welsh Government to shape the development of the SFS. We strongly encourage CLA members to take part in this programme. If you are interested then use the link below:

<https://gov.wales/sustainable-farming-scheme-guide>

There will be a final consultation on the most recent proposals in 2023 before the scheme begins to roll out from 1 April 2025.

Structure of the Sustainable Farming Scheme

The scheme is set in three layers- universal, optional and collaborative, which are all underpinned by national minimum standards. The national minimum standards will consist of a simplified regulatory framework and a proportionate enforcement system that includes advice, guidance, right to put right, fixed penalty notices and at the most extreme end, prosecution.

Universal Actions

These are actions that all participants must undertake to qualify for a baseline payment and will aim to make the participating farm more sustainable. The universal (compulsory) actions are:

- All farmers will be asked to complete a self-assessment once a year against a minimum of the sector and industry Key Performance Indicators;
- Have at least 10% tree cover on their farm managed in line with the UK Forestry Standard (as part of this 10%);
- Farmers will need to actively manage at least 10% of their land to maintain and enhance semi-natural habitats. Where there is insufficient semi-natural habitat available, farmers will need to select actions to create permanent or temporary habitat features on other agricultural land;
- Manage new and existing hedgerows in line with the hedgerow management cycle;
- All farmers have the necessary biosecurity measures in place;
- Carry out soil testing at Scheme entry and in time for contract renewal;
- Submit nutrient accounts and evidence covering N, P, K ,C and pH;
- Collect and record data on Plant Protection Products use;
- Complete an Integrated Pest Management assessment;
- Carry out actions, identified by working closely with their vet, through the animal health improvement cycle;
- Calculate and report the average amount of antibiotics used on the farm;
- Where peatland exists, farmers will need to manage it appropriately;
- Have a multi-species cover crop on all land which is uncropped over winter;
- Farmers will have to restore and manage existing permanent wildlife ponds and/or create a number of temporary ponds (scrapes);
- Farmers with historical environment assets identified on their land will need to follow general guidance on how to manage them;
- Farmers will be required to complete a minimum level of learning, including on health and safety.

There are many positive actions within this list that can benefit the business, the environment and the public. It is vital that there is sufficient support and guidance to aid participants in undertaking these actions. Welsh Government have committed to continuing some form of advisory service using the positive aspects of Farming Connect which was another key part of the CLA's submission to previous consultations.

The proposal for at least 20% of your farm to go towards woodland or biodiversity habitats may be of initial concern. The ambition to address biodiversity and environmental crises requires change. There is also scientific evidence that improving on farm biodiversity can positively impact crop yields. There are also measures to improve on-farm efficiency that will mitigate a reduction in areas converted to a different use. It is also clearly stated existing tree/woodland/hedges can go towards these requirements.

Optional Actions

These are voluntary actions Welsh Government will pay for. They are likely to be targeted more towards an individual farm or geographical area.

Collaborative Actions

These are actions for multiple land managers to work at catchment or landscape scale and will require significant collaboration. Examples could include supply chain opportunities or habitat creation.

Application process and sustainability review

The application looks to use as much existing processes as possible through the RPW portal. Entry to the scheme will be reliant on a farm sustainability review. This review aims to assess all aspects of the economic, environmental and social sustainability of the farm and determine the actions that will be possible. It will likely include the basic farm information in addition to a carbon assessment and habitat baseline review. A contract will then be issued that outlines all the universal and optional actions and agreed payments from Welsh Government. This will be a five-year programme with monitoring and checks using a mixture of self-assessment, existing data capture and remote sensing.

Transitioning from BPS/Glastir to the Sustainable Farming Scheme

BPS and Glastir payments will continue to be fully paid until 2023. The proposals commit to preparing farmers for the changes ahead with advice and guidance provision. They also state there will be infrastructure capital support to make farmers and landowners ready for the shift. Welsh Government have also outlined their intention to continue to pay some level of BPS as the new scheme is introduced to ensure there is no cliff edge.

The intention to undertake piloting of aspects of the scheme is a point CLA have been lobbying for and it is good to see this commitment in the document. The co-design portal linked earlier in this document is the entry for members wishing to take part in any pilots.

Conclusion

This document provides a summary of the proposals announced today. There is still a long way to go before the final implementation and there is still opportunity to continue to shape the scheme in a way that benefits members and the wider rural economy. While it remains disappointing there are no definitive payment rates the details provided, the proposals do reflect the significant work the CLA has undertaken with Welsh Government to develop a practical scheme that addresses the needs of the rural economy.

We will be providing further guidance to our members following the Royal Welsh Show and some initial meetings with other stakeholders but if you wish to discuss in more detail please contact:

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