

Welsh rural policy update

Sustainable Land Management



Creating a sustainable agriculture sector in Wales

A long-term vision to create a sustainable agricultural sector in Wales has been set out by the Welsh government in a [White Paper](#). Covering 15-20 years the vision aims to maintain high food safety, animal welfare and environmental standards in Wales and will be underpinned by a new, simpler regulatory framework and improved enforcement. The White Paper outlines how farmers will be supported to produce food in a sustainable way. It also sets out how farmers can respond to the climate emergency and help reverse the decline in biodiversity.

Sustainable Land Management

The Welsh government believes that the current scale of the economic and environmental challenges facing society mean that maintaining the status quo for agriculture in Wales is no longer an option. It proposes that Sustainable Land Management (SLM) should be established as the overarching principle for future agricultural policy, including future support. SLM has the potential to produce a range of benefits - economic, environmental and social - to farm businesses, the wider agricultural sector and the public. It will improve farm business resilience by providing an income stream not tied to the markets for agricultural products. It will also offer a way of making Welsh agricultural products unique in the marketplace (through demonstrating evidenced sustainability) and should reduce farm business' reliance on external inputs (and therefore costs) through a focus on a circular economy approach to resource management.

Sustainable Farming Scheme

It is proposed that the current Basic Payment Scheme and agri-environment schemes will be replaced with a new Sustainable Farming Scheme (SFS) which would be the main mechanism for delivering SLM. The Welsh government intends for BPS payments to be made in 2022, but has not indicated when SFS would be introduced, or when BPS based payments will stop. It makes clear that the scale of the challenge requires decisive action so any transition may be short.

The Environment, Energy and Rural Affairs Minister Lesley Griffiths has described the proposals as a “radical shift away from the CAP to sustain a productive agriculture sector in Wales that supports the rural economy whilst improving the condition of soil, air, water and habitats”. Ms Griffiths believes it is entirely possible for farmers to achieve these objectives, largely through changes to current agricultural practice; and intends to implement the changes in a way that enables farmers to see them as an opportunity, rather than an approach which restricts their freedom to farm.

In contrast to Defra's approach for England, the Welsh government sees the SFS as a business improvement programme which integrates support for farmers in delivering public goods with economic resilience support and advice. In England business support and productivity improvement schemes are separate and confined to the agricultural transition period whilst longer term support through the proposed Environmental Land Management (ELM) scheme is focused heavily on the delivery of public goods.

The SFS will increase long-term farm business resilience by rewarding farmers for the delivery of societal outcomes alongside, and as a consequence of, food production. This new income stream will not be market dependent and should increase the farm's ability to survive and even thrive in a future potentially more volatile, market. The SFS should reward farmers appropriately for the production of outcomes (healthier soils, clean air, clean water, improved biodiversity, actions to reduce global warming) at levels above those set by regulation, through and alongside the production of food in a sustainable way. Like ELM, SFS will move away from paying farmers on the basis of compensation for income foregone and additional costs incurred, meaning instead the farmer's costs will unlock the reward of continued payments for the outcomes they deliver and a margin for the business.

A focus on the sustainability credentials of farm produce?

A farm sustainability assessment will be a mandatory part of entry into the scheme. It will establish the farm's carbon footprint and potential for change, and provide advice on how SLM can be most successfully implemented on farm. Actions for delivery and metrics for the measurement of delivery would be agreed with the farmer. Advice and guidance will be available to support the farm sustainability assessment. Longer term comprehensive advice would also be available and build upon the lessons learned from existing advisory services.

Together with scheme monitoring and reporting, the assessment will also provide the necessary evidence to demonstrate the sustainability of products from farms within the scheme. This approach suggests that the SFS will

seek to improve the sustainability of **farm products** and generate information which can be used to market Welsh produce. Plans for ELM in England give the impression that English interventions will be focused on the sustainability of **farm practices** but not monitoring or driving performance at a product level in this manner.

National Minimum Standards to set a regulatory baseline

Regulatory complexity will be reduced by consolidating legislation into one set of National Minimum Standards for agriculture, supported by a range of advice and guidance to encourage compliance. The Standards will initially be based on the existing legislation which underpins Cross Compliance requirements. These Standards will be introduced alongside the proposed SFS and set the regulatory baseline above which it will operate. A new enforcement regime will be created which uses a range of civil sanctions proportionate to each individual case whilst maintaining criminal sanctions for the most severe and repeat offences. Monitoring will become increasingly risk based and supported by remote technology.

Animal welfare

One of the key principles underpinning the Wales Animal Health and Welfare Framework is “prevention is better than cure” to minimise animal disease and associated welfare impacts. This approach will be integrated into any future support and policies which lift standards above the legal baseline. High animal health and welfare standards, as part of SLM will be a key part of future product differentiation for Welsh food.

Supply chain

A thriving Welsh food and drink industry can create demand for Welsh primary produce so the government intends to take powers so that it can provide support to the wider industry and food supply chain, if it supports the continued delivery of SLM outcomes and ultimately benefits Welsh farmers.

Forestry and woodland

There are three key areas where the Welsh government wishes to improve the current regulations and processes affecting the way in which woodlands are created and managed in Wales:

- Create an approval system for woodland plans that is simple, predictable and proportionate. This is needed as the government believes that woodland creation on a scale not seen for 50 years is required
- Add conditions to licenses for tree felling and ensure effective deterrents are in place to prevent illegal felling
- SFS will provide payments to farmers who choose to deliver positive benefits from planting and managing woodland on their farms. Support must also continue to be provided for woodlands not on farms.

On-farm creation of woodland to sequester carbon, improve habitat resilience and provide amenity value is likely to be supported. Support may be available for woodlands to intercept ammonia emissions and particulate matter in some circumstances.

Concluding thoughts

Through the SFS, the White Paper proposes a delivery mechanism which is more coherent in terms of how it would be deployed on farm, as compared to England's ELM plans. The Welsh government places strong emphasis on food production coexisting alongside environmental delivery whilst land use change is given less prominence. Increasing carbon sequestration through land management is listed as a goal of SLM both in the context of improving agricultural land and conversion to other uses to help meet the Welsh government's 'net zero by 2050' ambition.

The White Paper is open for consultation until 25 March 2021. The term of the current Welsh parliament ends in May 2021 so plans will be taken forward by the next Welsh government. An Agriculture (Wales) Bill is expected to be introduced into parliament before summer 2022. The legislation will need to be in place by 31 December 2024 as the Welsh government's powers to make BPS based payments expire at that point. These powers could be renewed or that may be a logical point to transition to the SFS.

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