

## **Summary of Soil Association Cymru's response to the Sustainable Farming Scheme: Keeping farmers farming Consultation**

March 2023

Andrew Tuddenham

Head of Policy, Cymru

### **Headlines**

- The SFS proposals provide a framework that has real potential to help more farmers adopt agroecological approaches to farming. However, the SFS must also support those who are already farming in this way.
- The SFS provides a critical opportunity to move away from BPS and impart true financial value to trees, hedges and habitats on farms.
- The SFS Universal layer should not be designed to meet the specific needs and constraints of the largest and most intensive farms in Wales (a blend of government and market solutions offers better value for public funds)
- Whole Farm Plans could help to integrate more trees onto more farms if a SFS target for woodland creation were implemented through the Optional layer and tailored around the specifics of the individual farm.

### **What may strengthen the SFS?**

- A strategic route map for the SFS transition

### *Targets*

- Specific SFS targets tied to biodiversity and its restoration
- SFS target for farm woodland area to double by 2050, as a contribution to any Wales woodland target.
- SFS target for zero-loss of ancient woodland on farms
- A minimum of 75% of ancient and native woodlands on farms, in either good condition or improving condition for nature, by 2030.
- Support to establish supply chains and supply chain services for a smaller scale of agroforestry and farm woodland

### *Integrated food and farming policy*

- A Welsh Organic Action plan
- Public procurement that incentivises and reaps the benefits of expanding horticultural production

### *Advice and training*

- A significant investment in advisory services.

- Clear direction and support from WG to agricultural colleges and training bodies to help them prepare the upcoming generation of farmers with the essential knowledge required for the SFS.

## **Trees**

- Welsh Government must ensure farmers know what they are going to need to do to meet statutory targets, and it must also provide information and support to enable farmers to make informed choices within the SFS.
- Optional and Collaborative actions will have a range of potential benefits for climate and nature targets, but in the context of the 10% tree rule debate we note that the Climate Change Committee's advice is that there is no credible route to achieving net zero without an increase in tree cover.
- We continue to commend Welsh Government for maintaining a focus on tree cover on farms within the SFS
- UA12 *Woodland maintenance* offers a significant opportunity to better integrate farm woodlands into the farming system
- Farmers will need to be supported to achieve a balance between functional livestock benefits and woodland condition if livestock can access woodlands. UA12 should recognise the opportunity for on-farm use of timber products or potential off-farm sales
- Whole Farm Plans could help to integrate more trees onto more farms if a SFS target for woodland creation were implemented through the Optional layer and tailored around the specifics of the individual farm.
- Farmers will need practical agroforestry/forestry training, peer-to-peer learning networks and demonstration sites
- A clear regulatory distinction should be made between trees outside woodland on farm (agroforestry systems) and farm woodland that meets the legal definition for woodland.

## **Habitats**

- The 10% habitat scheme rule is appropriate for the Universal layer
- The proposed temporary habitats required to meet a shortfall in the 10% rule are entirely compatible with sustainable food production.
- Additional support may be required to help organic farmers establish mixed leys on improved land if required to meet the 10% habitat rule.
- The scheme should move towards a results-based approach to scheme payments for habitats.

## **Other Universal actions**

- UA2: *Continuous Personal Development* - the annual organic certification process should be recognised as Continuous Personal Development and equivalent to undertaking a training module within UA2.
- UA3: *Soil Health Planning*

- In isolation this would not go far enough to incentivise the reduction in manufactured fertiliser use on the scale that is needed to restore soil health
- the SFS should provide generic guidance to the farmer that addresses all SLM options in return for the upload of their soil test results.
- summary data from soil assessments should be published as part of the reporting and evaluation of the SFS.
- UA5: *Integrated Pest management* - should be accompanied by further Optional Actions which reward them to put these approaches into practice
- UA9: *Designated Site Management Plans* - all stakeholders need confidence that NRW will have the capacity to deliver the required volume of designated site Management Plans during the transition period.
- UA15: *The Animal Health Improvement Cycle* & UA16: *Good Animal welfare* - lameness and body condition scoring should be integrated into the AHIC
- UA16: *Good Animal welfare* - third party verification is required to validate the quality of welfare outcome assessments
- UA16: *Good Animal welfare* - we would like to see expansion of the use of welfare assessment across other livestock species.

### **Data reporting and SFS KPIs**

- The policy intent for benchmarking actions should be made clearer, setting out the case for how these actions benefit farmers and government.
- Farmers should be able to access previous data.
- Additional benchmarking requirements could be attached to specific Optional and Collaborative layer actions.
- We welcome the inclusion of input costs (pesticides and diesel use in arable) and net margins in the illustrative list of KPIs.
- A singular focus on daily liveweight gain militates against slow growing native breeds
- If taken in isolation, single KPIs could drive unsustainable outcomes.

### **Carbon calculator**

- It could be a very provocative market intervention if Welsh Government were to require a specific carbon calculator product.
- A SFS standard for carbon calculations should be provided
- Carbon calculators should provide output by category, GHG and scope 1, 2 or 3 and take into account organic farming which typically involves fewer livestock per ha than non-organic.

### **Controls, standards and compliance**

- An effective regulatory baseline (National Minimum Standards) must be maintained for all farmers in Wales, not just those within the SFS.
- Organic certification provides a model that Welsh Government can draw on

- Welsh Government must prioritise the development of an ‘earned recognition’ framework within the scheme, drawing from input from farm assurance body stakeholders.

### **Universal Baseline payment**

- If area payments within the Universal Baseline Payments are based on a costs incurred and income foregone model they will be too low to support those farm systems that are already delivering or capable of delivering sustainable land management improvements for nature, water and soils. We support a move to paying for social value underpinned by a natural capital approach.
- Very small farms such as small-scale horticulture producers are unlikely to receive sufficient financial incentive from an area-based Universal Baseline payment model.
- We query Welsh Government’s view that the Universal Baseline payment habitat element cannot reward the maintenance of SSSI land

### **Stability payment**

- We support the proposal for a Stability Payment during transition.
- We welcome the proposal to provide a Stability Payment for organic farmers to reflect their previous income from BPS and the Organic Support Payment 2024.
- The Stability Payment must operate as a temporary measure for the 2025-2029 transition whilst a suite of Optional and Collaborative actions are brought forward at the earliest opportunity in transition.

### **Access to support for actions similar to those offered in the Optional and Collaborative Layers.**

- Only those farmers within the Universal layer should be able to access support for actions contained in the Optional and Collaborative layer.

### **Priorities for Optional and Collaborative layer actions**

- SFS should introduce Optional and Collaborative layer support for agroecological and organic practices by 2026 and allocate at least 50% of the scheme budget to the Optional and Collaborative layers by the end of the transition period.
- Collaborative actions to manage and create joined up woodlands across landscapes and to reduce nitrogen losses at catchment scale should be prioritised
- Scheme advice and actions should directly acknowledge the soil degradation linked to chemical inputs.

### **Secondary legislation**

- Secondary legislation as proposed should undergo public consultation and be subject to Affirmative Resolution vote in the Senedd.

### **Economic analysis of the proposals**

- We do not anticipate significant impact on stocking levels from the revised 10% habitats rule, and significant exemptions are now available in the 10% tree rule.

### **Monitoring and evaluating the scheme**

- A farm practices survey in Wales would help to reveal the impact of SFS support