

Consultation Questions

Confidentiality
<p>Responses to consultations may be made public on the internet or in a report. If you do not want your name and address to be shown on any documents we produce please indicate here</p>
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Demographic questions:

Name	Andrew Tuddenham, Head of Policy, Cymru [REDACTED]	
Are you responding as an individual or as an organisation?	Soil Association Cymru	
Are you or your organisation based in Wales?	Yes	X
	No, but I or my organisation operates in Wales	
	No - not based in Wales and does not operate in Wales	
If you are answering as an individual, do you identify as Welsh speaking?	Yes	
	No	X
First half of postcode (4 digits)		

Please indicate which of these best represent you or your organisation (please select only one)	Farming	X
	Forestry	X
	Environmental	
	Veterinary	
	Tourism/Hospitality	
	Food and timber supply chains	X
	Public Sector	
	Private Sector	
	Third Sector	X
	Trade Union/Representative	

	Research/Academia	
	Other	

If you have indicated that you are a farmer, please identify your main farm activity (please select only one).	Sheep	
	Beef	
	Dairy	
	Arable	
	Horticulture	
	Poultry	
	Mixed	
	Other	

Do you currently have rights to graze stock on a common?	Yes	
	No	X

Are you a tenant farmer?	Yes	
	No	X

Are you a BPS recipient?	Yes	
	No	X

If you are responding as an individual, what age bracket are you in?	Under 18	
	18-34	
	35-49	
	50-64	
	65+	

Are you currently a participant in any agri-environment schemes?	Yes	
	No, but I have participated in agri-environment schemes in the past	

No, I have never participated in any agri-environment schemes.	
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Framework

Q1. The Scheme will provide a long-term approach to support for our agricultural sector to respond to evolving challenges and changing needs, contributing to the Sustainable Land Management objectives. In your view, what may strengthen this support?

1.1 We firmly believe that agroecological approaches to farming secure the best outcomes for climate, nature and people. A recent study by the French Institute IDDRI and the Food, Farming and Countryside Commission found that, alongside dietary change and a reduction in food waste, a UK-wide uptake of agroecology would allow for significant reductions in agricultural greenhouse gas emissions, and a pattern of land use that would be better for nature¹. We believe that structuring policy to support a transition to agroecological farming offers a way to produce resilient, nutritious food, with high levels of animal health and welfare whilst simultaneously providing good return on investment through the provision of public goods such as improved soil health, water quality, carbon storage and enhanced biodiversity.

1.2 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. We are concerned that the significantly reduced funding for the Habitats Wales Scheme relative to Glastir sets a poor precedent for the SFS and has created a pressing need for support that will not be helped by the delayed implementation of the Optional and Collaborative layers of the SFS. This lack of support is already causing some agroecological farmers to scale back their ambition, putting the long-term viability of their business at risk. Welsh Government should commit to introducing 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.

Targets and strategy

1.3 The Agriculture (Wales) Act 2023 places a duty on Welsh Ministers to set indicators and targets to measure progress towards achieving the Sustainable Land Management (SLM) objectives. These indicators and targets will help define a vision for sustainable land management in Wales, initially for the transition period. To connect farmers in the SFS to the SLM objectives there should be clear read across

¹ Poux, X. et al (2021) Modelling an agroecological UK in 2050 – findings from TYFAREGIO (Paris: Institute for Sustainable Development and International Relations)

between these indicators and scheme actions that farmers are required to undertake in the SFS. **Farmers should be able to see how their actions at farm level contribute to SLM indicators and targets.** For example, benchmarking requirements in the scheme should directly inform all four SLM target/s. Establishing a comprehensive dataset and standards for benchmarking, such as a standardised approach to carbon accounting, applicable across all land-based businesses, would pave the way for emerging markets for public goods. This robust data is essential for farmers and land managers to establish new producer consortiums, offering their public goods at landscape or catchment level within the emerging markets for nature and carbon. Benchmarking plays a crucial role in the ongoing refinement of the SFS, allowing adjustments over time as more farms achieve the target sustainability levels.

1.4 Scheme targets should encompass all aspects of ecosystem resilience, including habitats, species, the condition of protected sites, scale and connectivity. The Sustainable Farming Scheme will be a crucial driver in achieving COP 15 biodiversity restoration targets. The CCERA committee called this a "once in a generation opportunity" and recommends that **specific targets tied to biodiversity and its restoration should be incorporated into the SFS targets.**

1.5 As a principle, we believe targets based on numbers of trees should be avoided and, in our view, the following targets should be adopted:

- **An agreed management plan (whole farm plan) for all farm woodland by 2030**
- **Farm woodland area to double by 2050, as a contribution to any Wales woodland target.**
- **50% of farm enterprises with agroforestry systems in place by 2030**
- **A zero-loss target for all 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.**

1.6 While recognizing existing Welsh Government targets for woodland creation, we propose setting SLM targets for the extent of priority habitats, with indicative sub-targets for specific habitats like hay meadows, where significant habitat loss has occurred since the 1930s. Connectivity of habitats could be measured through targets for hedgerows in good condition and targets for organic land area. The area of certified organic farmland would provide an indicator for sustainable, high animal welfare food production. Monitoring these outcomes is crucial to substantiate the sustainable brand values of Welsh food production.

1.7 We believe that **the SFS urgently requires a strategic route map** that clearly sets out what transitional schemes, SFS layers and SFS actions will become operational during transition and what will happen to legacy schemes during this time. Scottish Government's Agricultural Reform Route Map (June 2023) offers a model to help the farming sector plan ahead.

Integrated food and farming and rural development policies

Strategic market development

1.8 There is a clear need to support market growth for the types of farming that help Welsh Government meet its environmental obligations while improving livelihoods and reducing pressure on public funds. SFS support for sustainable food production should be delivered within a strategic, joined-up approach to food, farming and public procurement to increase the supply and local consumption of sustainably produced food. For organic, a **Welsh Organic Action plan is needed** to shape this approach – the previous plan expired nearly 15 years ago.

Public procurement

1.9 Refocusing public procurement is a strong way Welsh Government can focus the market and ultimately incentivise SLM. **Public procurement should be used to incentivise and reap the benefits of expanding horticultural production** in Wales in particular. Food Sense Wales' Welsh Veg in Schools pilot is generating relevant insights into the operational approaches required to establish new local agroecological (organic or in conversion to organic) supply chains for schools. Public sector food procurement in Wales is worth approximately £84.7 million per annum, with Local Government and NHS Wales together accounting for more than 80% of that. Food in schools and public institutions sets norms for the public and consumers, signals values, and gives integrity to government priorities and policies. Making the most of public procurement could be game-changing. Wales could improve the health and food habits of the next generation by further upping ambitions for school food, including by encouraging schools to work towards achieving the Food for Life School Awards. It could also help drive demand for food that meets the highest standards, helping to achieve economies of scale in processing and lowering consumer prices.

Forestry sector and trees on farms

1.10 In the forestry sector Soil Association wants change to support the **establishment of supply chains and supply chain services that are adapted to smaller scale of agroforestry and farm woodland**, to ensure that the full market and on-farm substitution benefits from harvested products (food and timber) can be realised.

1.11 Farmers will need confidence that the market for the products resulting from their investment in the trees on their farms. Supply chains and supply chain services will need to be incentivised to adapt to the more sporadic nature of supply and small-scale working. Mechanisms such as cooperatives and group schemes have the potential to mitigate small scale working on individual farm enterprises, to ensure profitability and economic resilience.

1.12 To realise the full benefits of woodland cover restoration, the forestry sector also needs to be supported to adapt to provide supply chain services at a smaller scale and direct to farmers. In addition, many farmers themselves are well

positioned to take the opportunities to diversify their livelihoods and provide a range of small-scale forestry services such as planting, fending, tending and harvesting. Establishment of a vibrant farm woodland economy is key to long term achievement of both public benefits, farm enterprise economic resilience and rural diversification.

Regulatory framework

1.13 We believe the current regulatory framework across Wales is too fragmented and therefore supported the Agriculture White Paper (2020) proposals to consolidate existing legislation under a set of National Minimum Standards (NMS), applicable to all farmers in Wales. It is a concern that the SFS consultation proposals refer only to scheme rules and not to the NMS framework. There are potential risks to soils, water, and biodiversity arising from further intensification of agriculture if farmers choose not to participate in the SFS. Furthermore, value for public money is reduced if SLM gains secured through scheme payments are offset by regulatory failure to control damaging practices or pollution on the same farm or elsewhere. **An effective regulatory baseline must be maintained for all farmers in Wales, not just those within the SFS.** We present further feedback on regulation in response to Q8.

Budget, multi-annual financial framework and scheme agreement lengths

1.14 We believe that the transition to a framework of farm support oriented around environmental outcomes which are not rewarded by the market is an important step in achieving Sustainable Land Management objectives in Wales and offers value for money to the taxpayer. This will require long-term certainty for investment in soil health and farming with trees as these require multi-annual scheme agreements. The priority strategic issue in this regard is the move from the certainty provided by seven year CAP budget cycles to 1-3 year Welsh Government budget cycles where the agricultural budget is not ring-fenced. Essentially farmers who are below the 10% tree and woodland target are being asked to commit to the SFS based on a lack of certainty about whether the budget for maintaining anything they create will be there in future.

1.15 We believe the Optional and Collaborative tiers are essential to the success of the SFS. **Welsh Government should commit to introducing 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.**

Advisory support

1.16 References to Farming Connect within this consultation are limited, with two specific mentions of the Farming Connect programme (contrasting to 40 references to Farming Connect within the previous SFS Outline Proposals consultation). The reason for this is not clear. There is, however, a proposal from Welsh Government to continue to offer a range of advice, guidance and learning in the years to come and numerous references to the provision of advice and guidance to support farmers

with the SFS including with some specific Universal Actions; skills development and mentoring to new entrants; and the possibility of facilitation support for common land management agreements.

As per our feedback in response to the Agriculture (Wales) White Paper 2020:

1.17 Soil Association would like to see a **significant investment in advisory services**. We believe that advisory services offer value for money and will secure the delivery of the sustainable farming scheme objectives. This shift towards a SLM approach presents an opportunity for Welsh Government-led advisory services to be reviewed to address the need for fundamental change in farming practice to meet the significant challenges from climate change, and to mitigate the impact upon agriculture of climate breakdown. Agroecological practices should be at the heart of these advisory services. This should operate alongside a wider move within the agricultural curriculum to train the next generation of farmers and farm advisors to equip Welsh food and farming sectors for the future.

1.18 The wider implications of sustainable land management and ecosystems should be factored into the scale of advice delivery, and advisory services should look to farmer-led approaches that include land managers in the development and delivery of schemes, building an advisory and knowledge-exchange network that is fit for purpose in a changing world. Advisory services should foster collaboration between land managers, enabling landscape scale conservation. This approach could deliver public goods such as flood prevention or improved biodiversity through the creation of 'biodiversity corridors.

Agricultural education

1.19 Agricultural education at degree level is responding to the growing interest in environmentally sustainable farming. There is less evidence of this shift occurring at HND level. To strengthen the support offered by the SFS, **agricultural colleges and training bodies will need clear direction and support from WG to help them prepare the upcoming generation of farmers with the essential knowledge required for the SFS**. This includes fundamental issues of soil husbandry and farming systems and practices that restore soil health, water quality and biodiversity, as well as straightforward adjustments in land management to enhance livestock health and soil fertility. Agricultural college training in crucial approaches like integrated pest management (IPM) and agroforestry is also currently lacking, with these topics often receiving minimal attention, if any, in college curricula.

Baseline assessments and opportunity mapping

1.20 To help secure a harmony between environmental, economic and social outcomes we would like to see the Habitat Baseline Review process enable farmers to identify relevant SFS actions within the Optional and Collaborative layers. This guidance could be offered through use of GIS opportunity mapping within the Habitat Baseline Review in the Universal layer of the scheme, and within a whole

farm plan approach to the Optional and Collaborative layers of the scheme, which we explore later in this response.

Universal Actions

Q2. There will be Universal requirements in the SFS to have woodland cover at least 10% of suitable land, and to manage a minimum of 10% of your farm for biodiversity.

a) What are your views on these requirements?

2.1 Recent agricultural policy has tended to view productive farming as separate from measures to promote tree planting or measures to protect or restore nature, when sustainable productivity is dependent on maintaining and restoring natural resources. This has to change, and we should be aiming to move trees as a forestry programme to trees as a tool to achieve farming objectives and move nature from the margins to the middle of the field. At the same time, we should be changing the balance of what we produce, with less land used for growing crops to feed to animals and more domestic fruit, vegetable and pulse production.

10% tree cover rule

2.2 We believe that every farmer should be supported to find a resilient and profitable pathway to agroecological farming, bringing trees and abundant nature back into our farmed countryside. Through careful design, the integration of agroforestry and farm woodland into farming systems has the potential to enhance the performance and resilience of food production in Wales. Furthermore, we believe that the net environmental benefit from a shift to more integrated systems of agroforestry and farm woodland is likely to be greater than converting to woodland at a whole farm scale. **We continue to commend Welsh Government for maintaining a focus on tree cover on farms within the SFS** and we note that the messaging to farmers now leads on the case for potential productivity gains within the farm system. The evidence base is building that the careful and deliberate integration of trees and woodlands into farming systems as a land sharing or agroecological approach will not only boost productivity, rather than reduce productivity through loss of productive area, but also help to de-risk farming in a changing climate due to the huge range of functional benefits to livestock and even grass growth, from the integration of trees.

2.3 Nevertheless it has become clear since the previous SFS consultation that significant numbers of farmers do not see these opportunities or are not persuaded that their business model could be adapted to enable greater integration of trees on farm.

2.4 We recognise that sensible exemptions to the 10% rule are already proposed for tenant farmland and for those areas unsuited to woodland cover, and that it is possible to envisage further flexibility, such as to prioritise the most capable and versatile grades of land. However, further exemptions to the 10% rule risk adding further complexity to what is already seen by some farmers to be a prohibitively complex Universal layer. Taken further, delivery of the Universal target could no

longer be considered truly universal, whilst the principal issue of contention – that fundamental land use and business choices are to be mandated by government as a condition of financial support – remained unresolved. Without buy-in from farmers the SFS will fall short in its delivery of Sustainable Land Management objectives.

10% habitat rule

2.5 We see no conflict between sustainable food production and a requirement to hold at least 10% land managed as habitat as defined in the proposals. We do not anticipate significant impact on stocking levels from the 10% habitat rule.

2.6 We believe that the 10% habitat scheme rule is appropriate for the Universal layer as the habitats required to meet a shortfall in the 10% rule have no little to no impact on production. The temporary habitats may be ecologically modest relative to priority habitat types but if created at scale could make a significant contribution to nature in Wales. From a sustainable food production stance we see no compelling reason for Welsh Government to make the 10% habitat scheme rule optional.

b) What support might you need to achieve them?

UA12 – Woodland maintenance

2.7 We believe UA12 (Woodland maintenance) offers a significant opportunity to better integrate farm woodlands into the farming system, including in some cases the development of new enterprises. Almost all woodlands will be providing functional benefits such as shade, shelter, browse and also soil improvement on the woodland edge due to higher levels of organic matter and mycorrhizal interactions. These functional edge benefits can be extended into the woodland through careful management, so the proposal to avoid a blanket stock exclusion is welcomed.

2.8 However, **farmers will need to be supported to achieve a balance between functional livestock benefits and woodland condition if livestock can access woodlands**. This would be best achieved through support for whole farm planning, where tools like Scottish Forestry's Woodland Grazing Toolbox can provide a model for using livestock as a woodland management tool.

2.9 It should also be recognised that good woodland condition will often require tree felling and regeneration will always be required. **UA12 should therefore recognise the opportunity for on-farm use of timber products or potential off-farm sales** from some farm woodlands as diversification and farm enterprise development options. This would be true integration of woodland into the farm enterprise. This management of existing woodland could also be linked through a whole farm tree plan approach to provide tailored plans for those farmers wishing to increase the treescape on their farms as new woodlands, new hedgerows or agroforestry. Soil Association is piloting these in England and Farming Connect are funding an equivalent approach in Wales.

2.10 The Universal Baseline payment should reflect the social value of UA12 woodland management actions. We are concerned that if area payments continue to be 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. **The SFS provides a critical opportunity to move away from BPS and impart true financial value to trees and woodland on farms.**

2.11 In addition, Welsh Government should consider working with UK and other devolved governments to ensure that the UK Forestry Standard is fit for purpose in regulating woodland on farms into the future.

Woodland creation

2.12 We note that the dairy sector appears to have greatest difficulty in accommodating the proposed 10% trees scheme rule, in terms of current levels of tree cover and the apparent capacity of this farm type to hold more trees. We suggest that this reflects that many of these systems are constrained by farming intensity.

2.13 The SFS economic impact assessment (*Potential economic effects of the Sustainable Farming Scheme: Phase 4 Universal Actions Modelling Results*) shows that under the 2022 proposals lowland dairy would need to make the largest increase in tree cover for a given farm type (77.6%) to meet the 10% rule, whilst delivering just 9% of the total woodland creation across all farm types, a figure which may be an overestimate given that the current proposed SFS exemptions were not modelled.

2.14 Intensive dairying is highly geared around the amount of land available for manure spreading and silage production. Whilst tree expansion in the form of low density silvopasture and wider hedges offers clear benefits for health and productivity for dairy livestock and soil health in these systems, additional trees would reduce the area available for manure spreading, requiring the farm to either hold fewer livestock and/or bring in additional grassland for spreading or capital-intensive solutions for manure and slurry processing.

2.15 We recognise that it is difficult for intensive agriculture to accommodate the type of ambitious targets required to meet statutory targets for climate and nature. However, **we do not believe that the SFS Universal layer should be designed to meet the specific needs and constraints of the largest and most intensive farms in Wales**, which are also the least reliant on current support. Not all farm holdings, notably very small ones, have been able to take advantage of farm support from the CAP. The SFS has the potential to rectify this and support a majority cohort of small, less intensive farms which are better placed to deliver on-farm benefits for sustainable food production using trees and habitats. Government support alone is unlikely to deliver a transition to sustainable farming for the most intensive systems in a way that does not use up the majority of the

budget. Welsh Government has an opportunity to establish a Sustainable Land Management pathway for all farms in Wales but must also bring regulation, private finance and other market solutions into play alongside scheme support payments in a way that works for these intensive systems and secures best value for public money.

Whole farm plans and woodland creation

2.16 Many organisations, including the Soil Association, advocate for a whole farm approach as part of the shift towards more sustainable farming. **We suggest that this approach 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 using a whole farm plan.**

2.17 Under this model current tree cover should be rewarded within the Universal Baseline payment through UA12, as discussed above.

2.18 Whole farm approach terminology is now part of the Scottish Government's proposed framework for post-CAP agricultural support, which states the development of a Whole Farm Plan could be mandatory for those in receipt of the basic payment. The SFS proposals in the Sustainable Farming and our Land consultation (2019) described an adviser-facilitated Farm Sustainability Review. We note that a much simplified and fragmented version of this process is contained in the current SFS proposals. Concerns have been raised by some farming stakeholders regarding the level of resource required to deliver the Farm Sustainability Reviews as proposed in 2019, on the premise that this would divert budget away from farm payments. The suggestion of increased bureaucracy or 'red tape' is also likely to trigger a negative response from some farmers who already consider the burden of paperwork required to comply with government policy or private accreditation schemes to be excessive.

2.19 However the current debate around the proposed 10% tree cover rule highlights the reality that farms are complex, interconnected ecological systems and that the delivery of one scheme target – an expansion of tree cover – may be difficult to achieve using a generic and mandatory approach within the Universal layer.

2.20 We suggest there are clear benefits in taking a step back to consider the whole rather than focusing on individual elements. A whole farm plan can provide a decision-making framework that takes the entire holding and its assets into consideration, integrating the different enterprises on farm and making the most of available resources. Whole farm planning embraces the concept of circularity, where outputs from one part of the farm can become inputs in another. It can also ensure that ecologically sound practices on one part of the farm are not compromised by intensive practices on another. In the context of woodland creation, this could mean an increase in fertiliser applications to grassland. In a wider context, the biodiversity benefits from pollinator strips in field margins, or beetle banks in arable fields, may be undermined by continued use of chemical pesticides on other parts of the farm.

2.21 The key to true integration of trees and woodlands into farming systems (as distinct from meeting a rule for 10% tree cover simply to access the SFS), will be to use a whole-farm plan approach to indicate the direct benefits to a given farm's productivity and long-term farm sustainability and resilience. This will mean (at least) that a whole farm plan approach properly acknowledges and helps inform the farmer about the current farm productivity benefits from existing trees and woodlands on farms e.g. shade, shelter, on-farm water management, on-farm use of wood products etc. The planning process would support farmers with applied evidence as to how the better management of existing trees and woodlands, as well as planting of new trees and woodlands, can further enhance productivity and farm level sustainability e.g. evidence for how well-designed shelter can reduce supplementary feed costs, increase live-weight gain, facilitate outdoor poultry or lambing, extend the period for livestock outside sheds and help implement rotational grazing systems. The whole farm plan approach would take the entire holding and its assets into consideration, integrating the different enterprises on farm (and potential for tree-related income) and making the most of available resources.

2.22 Allied to this would be a need for scheme advisory services to

- **Support farmers with practical training**, so that most farmers existing skills for agronomy and husbandry, can be transferred to tree establishment and management. The Soil Association has a number of open-source farmer assets including the Agroforestry Handbook² and the online course 'Opportunities and options for agroforestry and farm woodlands'³ available in English and Welsh.
- **Support farmers with knowledge transfer, through peer-to-peer learning networks and demonstration sites**. e.g. Innovative Farmers field labs for agroforestry⁴

Regulation

2.23 **We recommend that a clear regulatory distinction is made between trees outside woodland on farm (agroforestry systems) and farm woodland that meets the legal definition for woodland.** The trees outside woodland that are part of the farming system should not be managed in line with the UK Forestry Standard (UKFS). The UKFS is not designed for agroforestry systems, including silvoapasture (e.g. wood pasture, grazed orchards or scattered trees for livestock including poultry ranging) or silvoarable, where trees are integrated into arable or horticultural systems. We recommend that agroforestry is regulated as an agricultural activity and not as a forestry activity, and that we avoid the risks of dual regulation by linking the UKFS to any agroforestry activities.

2.24 However, we do agree that it is appropriate that the woodland on farm that does meet the definition of woodland, should be managed to the UKFS, although as

² [Download the Agroforestry Handbook \(soilassociation.org\)](https://soilassociation.org)

³ [Agroforestry and farm woodland e-learning | Soil Association.](#)

⁴ [Twelve year field lab into the benefits of silvopasture launched \(innovativefarmers.org\)](https://innovativefarmers.org)

per earlier comments for UA12, this regulatory baseline does need to evolve to better reflect the functional benefits of farm woodland.

2.25 In addition to our general support, we offer the following advice on eligibility for inclusion as part of any tree cover requirement, on the measures required for successful implementation and also on the emphasis for Optional or Collaborative actions:

2.26 Eligibility for a tree cover requirement. It will be important to adopt a consistent approach to how trees outside woodlands are assessed as part of a target to achieve a desired minimum tree cover or proportional increase in tree cover. The assessment proposed will involve a calculation of tree canopy cover on a farm, including trees outside woodlands (including hedgerows). We believe this should involve some formulae to be applied to calculate future canopy cover for less mature trees outside woodlands and newly planted hedgerows.

2.27 Another option is to consider a refinement of the target, to allow field parcels intentionally planted with in-field trees as an agroforestry system, to count in full towards a tree cover measurement, as well as the linear strip between a double-fence for hedgerows.

2.28 We recognise that some parts of Wales may not readily support trees/woodland due to natural constraint, such as blanket bogs and many coastal locations, or due to conflict with conservation objectives on SSSI/SAC sites. For such areas we suggest that there should be a requirement to achieve any shortfall on tree cover by providing a greater extent of ecologically similar habitat eg scrub thickets on sheltered slopes or field corners.

2.29 Finally, it will be important to recognise the management cycle for trees on farms and implement a robust and consistent measure that does not penalise for a temporary loss of cover e.g. due to hedge management or in-field tree felling and replanting.

UA8: Create temporary habitat on improved land

2.30 Temporary diverse leys including red clover options as proposed under UA8: *Create temporary habitat on improved land* are achievable within organic farming systems and deliver multiple benefits for SLM, but costs of establishment can be greater for organic farms due to the higher costs of organic seed and restrictions on soil additives that may be required to achieve suitable soil status for sward establishment. **Additional support may be required to help organic farmers establish mixed leys on improved land if required to meet the 10% habitat rule.** The Universal action may also create situations where organic farms are required to establish temporary leys on permanent pastures that are not classed as habitat but hold valuable soil carbon stores that would be degraded by cultivation. Given that herbicide use is prohibited in organic farming we request that Welsh Government considers how UA8 could be applied to organic grassland systems without net reduction in SLM.

Q.3 Aside from the 10% woodland and habitat requirements, will the Universal Actions:

a) Provide benefit for your farm business?

B) Provide an achievable set of actions paid for through the Universal Baseline Payment?

UA2: Continuous Personal Development

3.1 The Sustainable Farming Scheme will require a significant amount of training and advice to be made available to the sector. We welcome the holistic approach to learning whereby UA2 requires farmers to select learning modules from five categories based on the scheme characteristics and is intended to support farmers in the delivery of other actions in the scheme. Whilst online learning may be efficient to deliver, there are evident concerns that this approach may present a barrier for some farmers. Alternatives to online learning should be considered. Finally, we believe that **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

3.2 We welcome the inclusion of this Universal action as a vital first step in optimising the use of nutrient inputs. **In isolation UA3: Soil Health Planning would not go far enough to incentivise the reduction in manufactured fertiliser use on the scale that is needed to restore soil health** - we believe there should be an Optional action available for farmers using no manufactured fertiliser (see Q12).

3.3 The test results will require interpretation to ensure that appropriate management responses and potential SFS actions are identified. We feel that the SFS should provide guidance to help all farmers in the scheme understand soil structure and any soil biology results if these are developed. The 2022 proposal suggested that Farming Connect would provide support for technical advice. The 2023 proposal does not refer to this or provide detail as to what advice will be provided to enable farmers to use their soil test information to operate more efficiently and reduce their environmental impact. It would be preferable to **provide generic guidance to the farmer that addresses all SLM options in return for the upload of their soil test results.**

3.4 We foresee scope to involve remote sensing technology to help target areas for in-field assessment, and for in-field assessment to help refine remote sensing data. Soil Association is a delivery partner in a Horizon Europe Framework Programme project to validate and develop soil health indicators. This work may provide helpful learnings and products for use in the SFS. The project will co-design, create, and maintain an open access European-wide digital infrastructure, termed "AI4SoilHealth"⁵. The infrastructure will be used for assessing and continuously monitoring soil health metrics by land use and/or management.

⁵ [Funding & tenders \(europa.eu\)](https://europea.eu)

3.5 The soil testing action will establish a national SFS dataset for soils, which creates significant opportunity for research, for example through integration/cross reference to remote sensing research as outlined above. Clarity is needed as to how the information will be held and who can access it. We would like to see **summary data from the soil assessments published as part of the reporting and evaluation of the SFS.**

UA4: Multispecies cover crop

3.6 We support the aim of this action and its inclusion in the Universal layer but we note that the requirement to establish a post-harvest cover crop may not be practical during winter vegetable harvest periods.

UA5: Integrated Pest Management

3.7 We support the focus on Integrated Pest Management, and the whole farm approach that underpins the proposals. However, **the requirement for all farmers to complete an IPM assessment should be accompanied by further Optional Actions which reward them to put these approaches into practice**, and these should be reviewed and improved every 3-5 years. We recognise that financial support is needed to help farmers transition to low/zero use of synthetic pesticides and suggest that Welsh Government should consider the circumstances in which an Optional action payment could incentivise a reduction in pesticide use - rather than exclusively framing the incentive around the money farmers could save by reducing their reliance on chemical inputs. We believe that an Optional action payment should be available for farmers using no synthetic pesticides/herbicides (see Q12).

UA7: Habitat maintenance

3.8 We support this proposal including the proposed Universal action and the proposal that scheme requirements for specific habitat types will adopt a more flexible approach to some aspects of habitat management compared to previous schemes such as Glastir. We encourage Welsh Government to **move towards a results-based approach to scheme payments for habitats.**

3.9 We are concerned that 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. The Habitat Wales Scheme provides a poor template for scheme payments in the SFS Universal layer. **The SFS provides a critical opportunity to move away from BPS and impart true financial value to habitats on farms.**

UA8: Create temporary habitat on improved land

3.10 We recognise that this action is required to enable the 10% habitat scheme rule to operate on a 12-month cycle, like BPS, and to remove a barrier to scheme

uptake for those farmers concerned about improved land being captured by EIA regulation.

3.11 The proposed temporary habitats required to meet a shortfall in the 10% rule are entirely compatible with sustainable food production. The temporary habitats may be ecologically modest relative to priority habitat types but if created at scale could make a significant contribution to nature in Wales. However, better value for public money would be secured if the action for mixed leys on improved land were delivered by an Optional action using a longer-term scheme agreement and coupled with advice for graze and rest management to ensure longevity of legumes and herbs in the sward. The proposal as drafted may allow for annual re-establishment of these swards on the same field, potentially to the detriment of soil health.

UA9: Designated Site Management Plans

3.12 All stakeholders need confidence that NRW will have the capacity to deliver the required volume of designated site Management Plans during the transition period.

3.13 We query Welsh Government's view that the Universal Baseline payment habitat element cannot reward the maintenance of SSSI land given that UA9 requires the maintenance of a Management Plan, and UA7 requires specific management outcomes for all habitat land, which may go beyond the SSSI duty to ensure that designated features are not damaged.

UA11: Hedgerow management

3.14 We welcome this action and its inclusion in the Universal layer. If coupled with adequate reward this action has potential to make a significant contribution to landscape scale benefits for nature and sustainable food production.

UA15: The Animal Health Improvement Cycle

3.15 We support this action but believe that the interaction between animal health and agroecological farming practices should be examined within the Animal Health Improvement Cycle. We see improvements in animal health and productivity through changes to stocking, breed and grazing regime to support a shift to a low-input system, with corresponding gains in animal nutrition. In addition the introduction of trees on farm has multiple health benefits to livestock from reducing worm burdens, fluke risk, lamb mortality and heat and cold stress. These links to the benefits of using trees within the whole farming system need to be captured within the health planning approach.

3.16 The lameness and body condition scoring being completed under UA16 should be integrated into the AHIC. This will embed the importance of welfare outcome assessment as an ongoing priority for the farmer. The measures of mobility and BCS are so linked to health risks and productivity constraints,

especially fertility that it is essential that they are linked to both health planning and welfare monitoring.

UA16: Good animal welfare

3.17 It's very positive to see this integration of welfare outcome assessment as part of the UA. It is understood that this "entry level" light touch approach is to capture farms that aren't currently routinely carrying out mobility or BCS on their stock, but there needs to be scope to **ensure third party verification can validate the quality of welfare outcome assessments** being completed to drive continuous improvement.

3.18 There is good scope to validate this activity through farm assurance schemes and integration with the AHIC to ensure vets are reviewing the assessment data that is being captured and can assist in training gaps and advise on improvement.

3.19 We would like to see expansion of the use of welfare assessment across other livestock species.

Q4. On-farm data reporting allows the Welsh Government to confirm actions are being undertaken and help you to make decisions about your farm. In your view, is the reporting requirement for the Universal Actions appropriate?

Benchmarking actions

4.1 Universal Actions UA1, UA3, UA5 and UA15 appear to be intended to enable improvements to farm management and performance, but **the policy intent for benchmarking actions should be made clearer, setting out the case for how these actions benefit farmers and government.** Likewise, the rationale for the carbon calculator proposal could be clearer. A clearer case should also be made to farmers regarding the benefit of knowing their true worth in performance and natural capital terms as required to survive into the future. Data verification issues mean that a government dataset collated from SFS returns could not be fully relied upon to inform scheme targets.

4.2 We strongly support the ambitions outlined for farmers to have access to their data. Data collection should provide value for farmers enabling benchmarking which can inform their management practices and enable them to demonstrate the sustainability credentials of their business. To achieve this, it is essential that farmers can observe change on farm overtime, we therefore think it is important that retaining **the ability to access historic data** is outlined in the proposals.

4.3 The sheep and beef sector has typically less requirement to measure and report to meet supply chain standards compared to the dairy sector. A reduced set of mandatory KPIs for the Universal layer may be necessary for these producers. We suggest that **additional benchmarking requirements could be attached to specific Optional and Collaborative layer actions.**

4.4 From an agroecological stance **it is encouraging to see the inclusion of input costs (pesticides and diesel use in arable) and net margins included in the illustrative list of KPIs.** KPIs could help to embed a Maximum Sustainable Output approach, with a focus on the ‘corrective variable costs’ (artificial fertilisers, purchased feed, vet/medicine costs to a degree), and fixed costs, particularly machinery within the farm enterprise. Honing the cost of production KPIs down to these costs for sheep and beef would provide a focus on the critical profit-eroding practices in the farm system. It would also simplify the accounting workload for the farmer, a significant consideration given that only around 40% of Welsh farmers know their costs of production (Farming Connect, 2018). Recording of medicine use is a statutory requirement, records of purchased feed are required in farm assurance schemes such as Red Tractor and records of all feed inputs are required for organic certification.

4.5 We note that daily liveweight gain is not listed in the example KPIs on p16. Whilst many farmers use this metric to measure feed conversion efficiency and associated emissions intensity not all farms have the means to accurately record this using weighing scales. Critically **a singular focus on daily liveweight gain militates against slow growing native breeds** that have an important role in low input systems and the management of habitats and biodiversity.

4.6 **If taken in isolation, single KPIs could drive unsustainable outcomes.** Care is needed to ensure that slow-maturing, nature-friendly livestock systems that deliver local environmental benefit through habitat management are not disincentivised. There’s a need to avoid improvements in efficiency solely being used to increase production output, which could have a negative effect on mortality rates and fertility (resulting in waste and inefficiency), increase or maintain negative environmental impacts or constrain the uptake of nature friendly farming practices. According to the Centre for Innovation Excellence in Livestock’s Net Zero Carbon & UK Livestock Report (2020)⁶, “typically outputs do increase when efficiency increases i.e. more is produced and so net emissions remain comparable. This needs to be avoided to achieve net zero.”

4.7 This points to a need to combine KPIs in insightful ways, as illustrated below in this figure from the CIEL Net Zero Carbon & UK Livestock Report (2020), comparing emissions intensity (kg CO₂ eq/kg liveweight gain) against daily liveweight gain:

⁶ [Net Zero Carbon & UK Livestock Report October 2020 | CIEL \(cielivestock.co.uk\)](https://www.cielivestock.co.uk/)

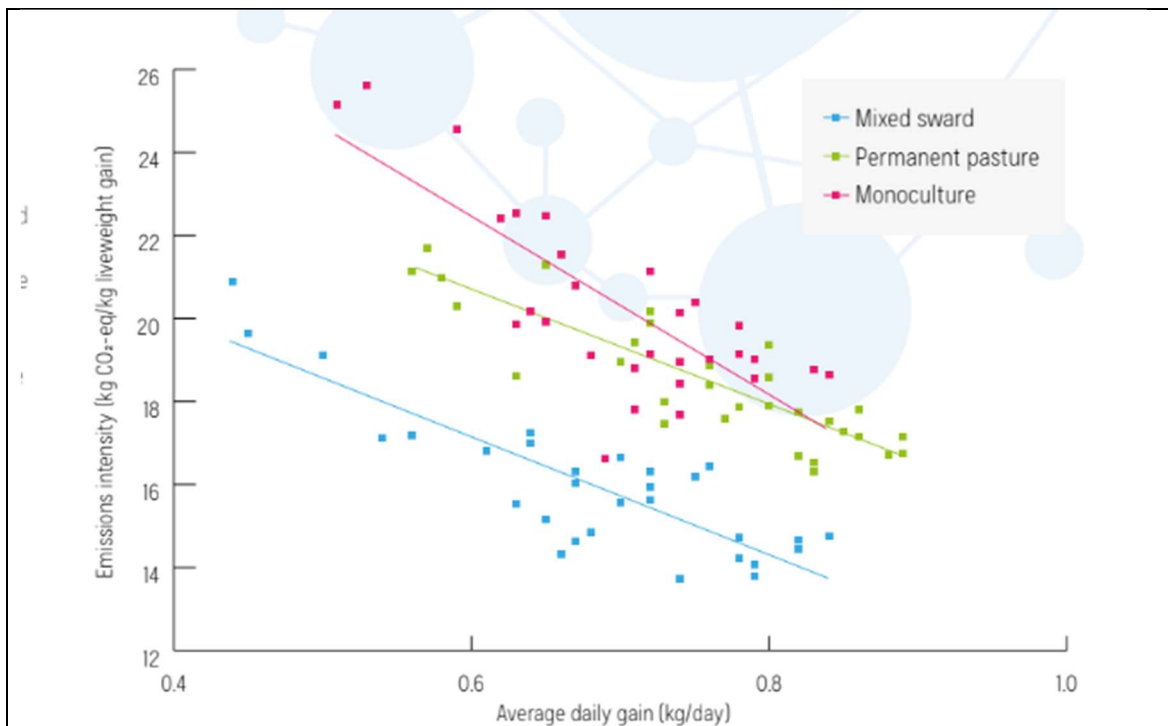


Figure 5. The relationship between carbon footprints and average daily gains for finishing cattle.

4.8 We suggest that there is a role for academia to accelerate the development of UA1.

Q5. The Stability Payment will provide additional support during the Transition Period. In your view, is this appropriate whilst the Optional and Collaborative Actions are being introduced?

5.1 We would like to see every opportunity taken within the SFS process to incentivise farmers to aim high in the scheme, opting to undertake further actions within the Optional and Collaborative layers.

5.2 We therefore **support the proposal for a Stability Payment during transition**. We recognise that support will be needed to encourage farmers to transfer from BPS to the Universal Layer of the SFS prior to the availability of Optional and Collaborative Actions. The phased withdrawal of the Stability Payment, mirroring the reductions in BPS, establishes a financial incentive for the uptake of Optional and Collaborative actions.

5.3 To provide clarity and demonstrate a commitment to SLM we encourage Welsh Government to **operate the Stability Payment as a temporary measure for the 2025-2029 transition whilst ensuring that a suite of Optional and Collaborative actions are brought forward at the earliest opportunity in transition**. Given the urgent need to focus the Welsh food system onto climate and nature objectives that deliver against current and forthcoming legal targets, the Stability Payment should not be used as a policy safety-net to enable Welsh Government to extend transition in response to political or financial pressures. An extension of transition beyond 2030 in these circumstances would signal to stakeholders that business-

as-usual policy is acceptable, undermining government's ability to lead meaningful change in farming and land management.

Scheme Operation

Q6. We have proposed that applicants should have sole management responsibility for the land for 10 months and ensure completion of the Universal Actions for the full scheme year (12 months). In your view, is the 10-month period sufficient?

6.1 No response.

Q7. We are proposing the use of a single carbon calculator for everyone in the Scheme. Do you agree and how might we best support you to complete this?

7.1 If the policy intent is to help farmers make improvements to farm management and performance we suggest that where a carbon calculation is required in the SFS the requirement should be that the calculator must meet a scheme minimum standard, rather than a scheme requirement to use a particular calculator provided by third parties or government. **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. It could be a very provocative market intervention if Welsh Government were to require a specific carbon calculator product.** A clearer case should also be made to farmers regarding the benefit of knowing their true worth in performance and natural capital terms as required to survive into the future.

Q8. To ensure continued high standards on our farms, we have outlined a proportionate approach to controls and sanctions, including compliance with additional legislation as a condition of Scheme payment. Do you have any views on this approach?

8.1 We believe the current regulatory framework across Wales is too fragmented and we supported the Agriculture White Paper (2020) proposals to consolidate existing legislation under a set of National Minimum Standards (NMS), applicable to all farmers in Wales. It is a concern that the SFS consultation proposals refer only to scheme rules and not to the NMS framework. There are potential risks to soils, water, and biodiversity arising from further intensification of agriculture if farmers choose not to participate in the scheme. **An effective regulatory baseline must be maintained for all farmers in Wales, not just those within the SFS.**

8.2 We supports the intention to retain GAEC 4 into SFS scheme rules to introduce statutory regulations to protect soils in Wales. It is not clear why there is no proposal to retain GAEC 5 into SFS scheme rules. Taken together these measures would provide more comprehensive measures to protect soil structure, prevent nutrient loss and erosion. GAEC 4 and 5 however do not equally protect the biological activity of soils. Soil biology is very important for farming and the environment because the activities of soil organisms affect the functioning of whole ecosystems.

8.3 We know that agricultural intensification reduces the abundance of soil organisms and changes the way that ecosystems in soils function. The reasons for this include:

- A reliance on inorganic fertilisers, which has reduced organic matter levels, reducing the habitat quality for soil organisms.
- The rise of monocultures, which fail to provide the variety of conditions necessary for the diverse range of soil organisms to thrive.
- Pesticides that can kill not only the intended target, but also other beneficial organisms.

8.4 We propose that SFS rules should support farming practices which reduce the prevalence and impact of the actions above, to protect Welsh soils.

8.5 It is essential for the SFS rules and future National Minimum Standards to be backed by a robust inspection regime. **Organic certification provides a model that Welsh Government can draw on** as the annual inspections, regular reporting and whole farm planning involved in organic certification make it the most transparent and well-regulated food and farming sector. More regular inspection does not need to be burdensome for the farmer, in fact an organic inspection can deliver joint inspections with other schemes such as Red Tractor, Pasture for Life and FAWL.

8.6 Through working closely with organic certification through a system of earned recognition Welsh Government could monitor and verify compliance to national standards. This would be both a robust and cost-effective method of monitoring compliance for Welsh Government and least onerous for farmers. We call on Welsh Government to **prioritise the development of an 'earned recognition' framework within the scheme, drawing from input from farm assurance body stakeholders.**

Q9. Adopting the Welsh Government appeals process will provide an effective and efficient mechanism. Is there any reason we should deviate from this?

9.1 No response

Payment Methodology

Q10. We would like to know your views on the proposed approach to:

- a) the SFS universal baseline payment**
- b) the SFS stability payment**

10.1 We have provided comments elsewhere in relation to the area payments for habitats and tree cover and payments for SSSI land.

10.2 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.** Under current proposals the Organic Support Payment 2024 will

not be available in 2025, but payment levels would be maintained if the farmer enters the SFS. We feel that this creates unfair pressure on organic farmers to enter the SFS in 2025. Welsh Government should therefore confirm in 2024 what specific Optional actions for organic will be available in the SFS – we are calling for these actions to be available in 2026 - to provide a clear choice to organic farmers. If Optional actions for organic are not available until later in the transition phase a gap in support could otherwise be created.

10.3 We believe that **very small farms such as small-scale horticulture producers are unlikely to receive sufficient financial incentive from an area-based Universal Baseline payment model**. Additional support would likely be required to help these producers enter the SFS Universal layer to gain access to the Optional and Collaborative layers.

Transition Period

Q.11. Farmers outside the Scheme may wish to access support for actions similar to those offered in the Optional and Collaborative Layers. In your view, should farmers within the Scheme receive priority support to undertake these actions?

11.1 The proposal suggests that there could be a parallel approach to farm support / investment, with non-SFS schemes replicating some of the actions supported by the Optional and Collaborative layers of the SFS. A land-based business could, for example, access capital grants directly or independent of the SFS without a requirement to deliver the SLM actions of the Universal layer. This could divert scheme resources and weaken delivery of Sustainable Land Management objectives, unless the Universal layer actions were to be incorporated into mandatory National Minimum Standards applicable to all land managers. We believe that **only farmers within the Universal layer should be able to access support for actions contained in the Optional and Collaborative layer**.

11.2 See previous comment (10.3) regarding very small farms such as small-scale horticulture producers.

Q12. What actions and support within the Optional and Collaborative layers do you believe should be prioritised?

12.1 We would like to see a **direct acknowledgement of the soil degradation linked to chemical inputs**. Manufactured fertilisers, for instance, displace organic matter inputs that provide the food necessary to soil life. They also reduce beneficial microbes necessary to efficient nutrient recycling, which make nutrients more available to crops. Similarly, most pesticides pose a serious threat to soil invertebrates, which are themselves key to healthy soil functions. Optional Actions to benefit nutrient use and soil condition should therefore be available for the reduction of pesticides/herbicides and manufactured fertilisers, as outlined above. We provide a set of suggested Optional actions for zero use of manufactured fertilisers and herbicides (as per organic farms) below.

Optional actions for organic farming

12.2 Soil Association advocates for scheme actions that specifically support organic farming practices or systems. Organic farming is proven to be a highly effective system for the delivery of Welsh Government's Sustainable Land Management goals as it is the only standard that bans the use of artificial nitrogen and severely restricts the use of pesticides on a whole farm basis. We are therefore encouraged that the consultation document acknowledges that the cumulative impacts of organic farming can make a significant contribution to a more sustainable industry, and we welcome Welsh Government undertaking to engage with the organic sector to develop Optional actions which fully recognise and reward the public goods provided by whole farm and organic systems.

12.3 The Universal and Optional actions proposed offer reward for some practices that are common to organic farming, but the proposals do not acknowledge the sum total of the SLM benefits that are secured through organic status, or the financial costs of organic conversion.

12.4 The Organic Support Payment 2024 offers financial support for certified organic farming at the whole farm/system level, in contrast to the 'actions-based' approach of the SFS. Assuming that the SFS uses the actions-based approach to offer support to organic farmers, the organic certification process is such that an organic farmer undertaking one specific SFS Optional action would also be delivering a raft of associated organic farming actions and benefits irrespective of whether these were available as SFS Optional actions.

12.5 The Welsh Organic Forum's gap analysis (2023) identifies a set of Optional actions required for organic:

- Farming without use of manufactured nitrogen and with a reliance on organic matter from crops and livestock, crop rotation standards, legumes, nutrient cycling, crop rotations and avoidance of bare soil
- Farming without use of herbicides or growth regulators, and with a reliance on cultural controls and natural predators
- Restrictions on non-organic inputs
- Limited use of a number of permitted pesticides derived from natural sources
- Requirement to use breeds suited to local conditions
- At least 60% of livestock diet derived from the farm holding
- Stocking density limit
- Farming to promote biodiversity across whole farm area, guided by a conservation plan for all habitats, including non-designated sites
- System-level approach to disease risk, achieved through:
 - Animal health plan with annual review
 - No chemical allopathic vet meds for preventative use
 - Restrictions on number of treatments
 - No hormones, embryos and cloning
 - No growth promotors and synthetic amino acids

- Conversion to organic farming system
- History of continuous organic farming

12.6 We urge Welsh Government to **introduce Optional actions for organic farming in 2026** to enable a seamless transfer from the SFS Universal layer in 2025 (with Stability Payment applied for recipients of Organic Support Payment 2024).

12.7 Soil Association believes that the use of legumes to supplement/replace manufactured nitrogen should be a Universal action. Reducing the use of manufactured nitrogen is critical to reducing farm greenhouse gas emissions and in helping to improve soil health, and we believe the evidence base is strong.

Collaborative actions for trees and woodlands

12.8 It will also be important to support on-farm woodland management, so that the large farm woodland resource in Wales (circa. 124,000 hectares, Forestry Statistics 2022) becomes a viable and valuable component of the farm enterprise and contributes more fully to SFS objectives.

12.9 This viability will be achieved through a number of measures including:

- Support for on-farm use of timber e.g. fencing, farm buildings etc.
- Support for managed livestock interventions in woodland to benefit woodland biodiversity and stock management
- Support to deal with challenges of small-scale woodland management through cooperative and similar mechanisms.
- Support for on-farm and small scale timber harvesting and processing e.g. farm machine adaptation and machinery rings etc.
- Support for farmers to access voluntary payments for nature-based solutions delivered by farm woodland creation and management

Collaborative actions for projects to manage and create joined up woodlands at a scale larger than the individual farm

12.10 Viable farm scale forestry has long been neglected by successive policymakers, and it is no accident that the dominant forestry model in Wales and the wider UK is based on a large-scale industrial model for timber production. However, to achieve the real opportunity for the integration of trees and woodlands into farming, there needs to be significant support for on-farm innovation and supply chain capacity and capability, to help develop viable farm scale forestry models that include timber production.

12.11 These innovations and developments are inherently collaborative, recognising the different actors along supply chains and also the collaboration required to deal with challenges of scale implicit in farm-scale forestry.

12.12 As proposals are developed for Collaborative actions that will receive support, these structural fundamentals of farm-scale forestry should inform and influence the support that is developed, including eligibility and requirements.

12.13 The Soil Association would be pleased to participate in further co-design work on these themes.

Collaborative actions for nitrogen reduction

12.14 The 2022 consultation proposed a Collaborative action to support farmers and other landowners to develop Shared Nitrogen Action Plans. This is not included in the latest consultation – the development of a Collaborative action is urgently required. Joined-up activity at a catchment level will be critical to improving water quality and helping to halt the ecological collapse of many Welsh rivers impacted by diffuse nutrient pollution from agriculture. Reducing the use of manufactured nitrogen is also critical to reducing farm greenhouse gas emissions and in helping to improve soil health, and we believe the evidence base is strong.

BPS

Q13. Do you agree with the proposed changes to BPS from 2025? This includes:

- a) **The rate at which BPS payments are reduced.**
- b) **Closing the National Reserve to new entrants.**
- c) **Thresholds for capping.**
- d) **Restricting the transfer and lease of entitlements.**

13.1 No response

Regulations

Q14. We would like to know your views on our proposed approach to secondary legislation, which will support BPS and the introduction of support schemes under the powers in the Agriculture (Wales) Act 2023.

14.1 The proposal is to introduce a single regulation to enable the introduction of the SFS and any future updates to this scheme and to allow the introduction of new schemes. Whilst we understand that this offers Welsh Government flexibility to revise the SFS and other schemes and introduce new support to deliver SLM objectives we would be concerned if this reduces the opportunity for Senedd input to future changes to farm support. This would not be helpful to the production of sound regulation or to building trust with stakeholders. **We believe that secondary legislation as proposed should undergo public consultation and be subject to Affirmative Resolution vote in the Senedd.**

Evidence

Q15. Economic analysis and modelling will conclude in 2024 and will provide evidence to inform the final decision on Scheme implementation by Welsh Ministers. We would like to know your views on the existing analysis and evidence required.

14.2 We commend Welsh Government for taking a transparent approach and releasing this economic analysis and modelling, although it is regrettable that the economic impact assessment was not updated to reflect the latest SFS proposals for the 10% tree/woodland and 10% habitats Universal requirements.

14.3 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. We note that the economic impact assessment figures for the number of hours worked are not necessarily themselves indicative of likely changes in the number of farm based workers and should be viewed alongside income / livelihood indicators.

14.4 Furthermore, ‘dynamic responses’ are not modelled eg changes to grazing practices to maintain stocking, farm business diversification responses, and long term productivity responses from soil health improvement and agroforestry are not modelled. All of these factors are driven by and impacted upon by intensifying climate impacts, which are also not modelled.

14.5 Nevertheless the economic impact assessment appears consistent with expectations that a change in basic farm support, coupled with adverse trading environment risks diminution in farm revenue, perhaps land values (partly depending on other factors) and net farm business income. This also underscores the need to reserve budget for the Optional and Collaborative layers of the scheme and to use a Whole Farm Plan process to deliver scheme actions that are appropriate to the farm to improve outcomes for eg soil management, farmed habitats and agroforestry.

14.6 As previously stated, we are concerned that 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.

Monitoring & Evaluation

Q16. We would like to know your views on which information and evidence should be used to monitor and evaluate the Scheme.

16.1 Taking each SLM objective in turn we provide suggestions for some of the information and evidence that would help to reveal the impact SFS support, comparing farms in the scheme against those outside the scheme:

- sustainable food production (farm practices surveys; FERA pesticide usage survey data to enable tracking of SFS outputs against a Wales dataset; annual fertiliser survey data; organic production volumes; farm assurance scheme)
- climate mitigation and adaptation (use of manufactured nitrogen; area of organic land and area of land in conversion to organic)
- ecosystem resilience (SoNaRR reporting cycle; designated sites condition monitoring; future statutory biodiversity targets)
- cultural and social (use of Welsh language; community engagement on farm)

16.2 It will be hugely helpful to farmers if the data collected on farms can be used by the farmers themselves to demonstrate their sustainability credentials and track progress. **Data should be directly related to on farm sustainability** eg:

- Promote the health, welfare or traceability of animals.
- Promote the health of plants.
- Minimise adverse environmental effects of activities connected with agri-food supply chains or agricultural activities.

16.3 To be able to demonstrate sustainability credentials additional data points would be needed such as on soil health, soil organic matter, farm nutrient balance, farmland plant diversity, farming practices supportive of enhanced biodiversity. Utilising data collection and self-assessment is high risk and caution should be exercised as it is essential that monitoring remains robust and achievable on farm. We are aware that farmers do not readily find or prioritise the time to collect their own soil data, for example.

16.4 **Making this data available and useful to inform farm management** is essential. Farmers should be able to benchmark themselves and utilise this data to progress through the sustainable farming scheme, increasing their commitments and performance.

16.5 Making this data available also to certification bodies and private standard owners could improve efficiency in inspection and monitoring processes. Data could inform decision making in these organisations and help to reduce the burden of data collection and monitoring for farmers. This will ultimately reduce costs and increase the time which farmers can dedicate to farming sustainably.

Other

Q17. What, in your opinion, would be the likely effects of the SFS on the Welsh language? We are particularly interested in any likely effects on opportunities to use the Welsh language and on not treating the Welsh language less favourably than English.

Do you think that there are opportunities to promote any positive effects?

Do you think that there are opportunities to mitigate any adverse effects?

17.1 Welsh language is widely spoken in rural communities and many Soil Association Certification licensees are Welsh speaking. Soil Association

Certification think that by supporting the resilience of rural businesses the proposals could make a significant contribution to maintaining the Welsh language, and could further encourage the adoption of Welsh through locally focussed food and supply chain industries such as farm shops and holiday accommodation.

Q18. In your opinion, could the SFS be formulated or changed so as to:

- have positive effects or more positive effects on using the Welsh language and on not treating the Welsh language less favourably than English; or
- mitigate any negative effects on using the Welsh language and on not treating the Welsh language less favourably than English?

18.1 There is a broad assumption that where the language is used on a daily basis equates to those areas where changes in agricultural support will be most impactful. The transition to the SFS will be critical to ensure that the skills and capacity required by the new scheme are available within the community such that the Welsh language will continue to be a defining aspect of rural Wales.

Q19. Do you have any additional comments on any aspect of the consultation document?

19.1 Welsh Government must communicate the regulatory pathway and timeline for agriculture's share of the transition to net-zero to provide clarity to farmers and the wider sector. Five-year carbon budget cycles are not providing the long-term view of agriculture's pathway to 2050. Farmers are also increasingly expected to align with large retailers' net-zero goals and decarbonise their operational contribution to emissions in the food supply system. Within the SFS, many scheme actions under consideration will deliver emissions reductions or increased on-farm carbon storage. **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.