

Environment and Sustainability Committee
E&S(4)-08-11 paper 7

Correspondence from the Deputy Minister for Agriculture, Food, Fisheries and European Programmes on actions arising from the Committee's meeting on 13 October on the draft budget 2012-13

1. At the Evidence Session on 13 October the Deputy Minister undertook to provide the following additional information to the Committee:

- Extracts from the Rural Development Plan 2007-2013 Mid Term Evaluation Report covering Sustainability and Equality;
- Information on the applications and approval under the Young Entrants Support Scheme (YESS).

2. The extracts are at Annex A and Annex B respectively. It should also be noted that a full equality assessment was undertaken as part of last year's budget exercise. As there are no significant changes for the 2012-13 budget the results of this exercise are still valid.

3. On YESS, the figures are as follows:

2010/11:

- Number of applications: 121
- **Number of successful applicants: 114**
- Grant amount approved: £1,573,647.96
- Private sector leverage: £2,744,286.93

2011/12:

- Number of applications: 140
- **Number of successful applications: 132**
- Grant amount approved: £1,905,099
- Private sector leverage: £3,978,892

2012/13:

- Projected *minimum* number of successful applications: 100

Rural Development Plan 2007-2013 Mid Term Evaluation: Horizontal and National Questions

To what extent has the programme contributed to promoting sustainable development in rural areas? In particular, to what extent has the programme contributed to the three priority areas for protecting and enhancing natural resources and landscapes in rural areas:

- Biodiversity and the preservation and development of high nature value farming and forestry systems and traditional agricultural landscapes?
- Water?
- Climate Change?

Biodiversity and HNV Farming, Forestry and Landscapes

1. It is difficult to assess the extent to which the RDP has protected biodiversity and high nature value farming and forestry systems because there is little monitoring data for biodiversity and the HNV indicator has not yet been calculated. See section 7.3 for a detailed discussion of the HNV indicator. As discussed in relation to Measure 214, there has been an improvement in the farmland bird species population index. This increased slightly since 2007 but is still lower than when it began in 1994. The main Measures contributing to improvements in biodiversity and HNV are in Axis 2. Since protecting and improving biodiversity has been a primary objective of agri-environment schemes since their inception, it seems very likely that they have had a beneficial impact but firm evidence for this is lacking.
2. The Farming Connect programme is also contributing to reversing biodiversity decline through a number of measures. Firstly, Farming Connect has provided specific environmental and habitat management training courses to farmers. These courses were fully funded and mainly targeted at Tir Gofal agreement holders (of which there are currently 4,000 agreements). The main elements for these training courses were, to enable participants to understand the value of habitats, why management is important and how Tir Gofal fits into the broader UK Biodiversity Action Plan. From the start of the Farming Connect programme in 2008, 60 training events have been delivered pan Wales. As of June 2010, the focus of these training courses have been amended to support the introduction of the new Land Management Scheme, Glastir. Over the summer of 2010, 40 training

events have been delivered which were open to all land managers. Over 3,000 participants attended these events.

Water

- It is clear that the main element of the programme which might have potential for reducing water pollution is the Axis 2. Measure 214 (implemented as Tir Cynnal, Tir Gofal and OFS) has the area under successful management contributing to water quality as a result indicator. This is an area calculated through scheme design. It does not show additionality and it assumes that scheme design works. The new monitoring system introduced from January 2009 should allow proper monitoring of current schemes by the time of the *Ex-Post* evaluation while the new monitoring system for Glastir will also address this issue in subsequent programming periods. Table 0-1 shows the area of these schemes assessed by scheme managers as contributing to improved water quality through reduced diffuse pollution from agriculture.

Table 0-1: Result Indicators for Tir Cynnal, Tir Gofal and OFS for water quality.

	Programme Target (2007-2013)	Actual to date (Jan 07-Dec 09) cumulative	Percentage achieved
Areas (Ha) under successful land management contributing to:	487,400	162,611	10.7%
Water quality	94,100	28,919	30.7%

Source: Annual Implementation Report 2009.

Table 0-2: Measure 214 (Tir Cynnal, Tir Gofal and OFS) and use of inputs and stocking levels

	Crop Protection Chemicals	Manufactured N Fertiliser	Manufactured P Fertiliser	Manufactured K Fertiliser	Livestock Number per Ha
Decreased use (a little or a lot)	25%	31%	24%	23%	37%
Deadweight (would definitely or	38%	41%	40%	41%	58%

possibly have done anyway)					
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Source: ADAS/Agra CEAS Consulting survey results.

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5. Table 0-2 shows that use of crop protection inputs and manufactured fertiliser was reduced on between 23% and 31% of farms according to respondents. However, according to the survey respondents a large amount of this reduction would have happened in any case and is therefore deadweight. Given these are predominantly grazing livestock farms (see section 6.6), one would expect this to be associated with a reduction in stocking rate; 37% of farmers in these three schemes said that they had reduced stocking rate, but 58% of these say they would have done this in any case. Total grazing livestock populations in Wales have been falling. These falls in input use and stocking rate can be expected to reduce diffuse water pollution from agriculture. However these schemes were designed before water quality improvement became such a high priority. Any impact on water quality is thus a side-effect of schemes designed for older policy priorities such as conservation of biodiversity.
6. An interview with the Environment Agency Wales (EAW) confirmed that there has been no work carried out which would allow the water quality impact indicator to be constructed.
7. The new Glastir scheme has water quality as a key objective and specific land management prescriptions designed to protect the water quality of streams, rivers and water bodies. There is recognition that nutrient management planning will be more important, in part to reduced diffuse water pollution from agriculture, and plans are afoot to make this available through Farming Connect. A new Catchment Sensitive Farming scheme is piloting specific action to improve water quality in two pilot catchments. In addition agri-environment monitoring contracts awarded in 2009 will improve the assessment of impacts on water quality.
8. Farming Connect has contributed through the subsidised services (WFP and FAS), by providing one-to-one advice and mentoring. The main areas covered are Nutrient Management Planning, NVZ advice and advice on Clean/Dirty Water management. Farming Connect has worked closely with the Environment Agency Wales to promote the benefits (both environmentally and financially) of Nutrient Management Planning and has supported the Catchment Sensitive Farming (CSF) scheme by providing subsidised advice and mentoring to farmers within the NVZ areas.

9. To conclude, the RDP has had some impact on water quality in Wales but mainly, thus far, as a side-effect of Measures implemented with other objectives.

Climate Change

10. Climate change is not an objective of the three agri-environment schemes implemented under Measure 214 (Tir Cynnal, Tir Gofal and OFS) or the forestry Measures which all have biodiversity, landscape and amenity objectives. Afforestation does play a role in fixing carbon but the areas of new forestry established have been very small. At the mid point there is little impact on climate change but there are plans to address this more directly in the new Glastir scheme. In addition there may be more activity in relation to renewable energy in Business Plan Round 2 of Axes 3 and 4 than in the earlier Round. See section 7.3, Impact Indicator No. 7, Contribution to combating climate change (increase in production of renewable energy).
11. Helping farmers mitigate and adapt to the challenges of Climate Change is one of the cross cutting themes to all FC delivery. Through the Agrisgôp programme, a number of groups have been set up to look at Carbon foot printing their businesses and their products, i.e. beef and lamb. By doing this and benchmarking with other members of the group they are able to look at ways of reducing their carbon foot print.
12. As of August 2009, Farming Connect has set up a Knowledge Transfer Programme for Climate Change in Wales. The aim of the programme is to act as a repository of best practice, disseminate information to the farming and forestry industry, help mitigate the production of greenhouse gases and adapt to the likely future impact of climate change in Wales.
13. The potential of renewable energy efficiency is an area of great interest to farmers participating in Farming Connect. Delivery has been through a number of mechanisms. Firstly through the WFP service, farmers have requested mentoring on topics such as energy audits, renewable energy options on farm (hydro, wind, heat generation and photovoltaic cells), supplying energy to the National Grid and carbon footprinting of produce. Through the Agrisgôp programme, a number of groups have set up to look at energy efficiency topics such as carbon footprinting, renewable energy and supplying energy to the grid. The Farming Connect Climate Change Development Programme has hosted a number of events on topics such as anaerobic digesters, renewables, high sugar grasses and carbon footprinting.
14. As climate change is not a stated objective of any of the schemes contained within the RDP, any impact will be incidental and probably marginal. RDP managers explained that climate change came onto the agenda following the 2008 CAP Health Check and that it will inform the design of future schemes, in order to address the “New Challenges”

agenda (covering water quality and quantity management, carbon management, climate change mitigation, biodiversity and renewable energy).

15. Though outside the period covered by this evaluation, it is worth noting that in October 2010 the Welsh Assembly Government published its Climate Change Strategy for Wales and the accompanying Delivery Plan for Emissions Reduction. The RDP is mentioned as one of the main means of reducing GHG emissions from Welsh Agriculture and Forestry. An annual target from 2010 of 3,000 ha of woodland creation under Glastir has been set. Glastir includes prescriptions to support the preservation of soil carbon and to encourage on-farm renewable energy generation. The contribution to agriculture and land use emissions reduction will depend on the ability of farmers to export renewable energy to the National Grid and the extent to which anaerobic digestion plants can be installed in the dairy sector. Improved mentoring and education of land managers through the Farming Connect scheme will include the promotion of best practice on climate change.

Rural Development Plan 2007-2013 Mid Term Evaluation: Horizontal and National Questions

To what extent has the programme contributed to the promotion of equality between women and men?

1. RDP managers informed the evaluators that the RDP operates on the basis that anyone who is eligible can apply; the targeting is on sectors or groups and is therefore gender neutral. Projects are selected under the PMG on their merits and gender is therefore irrelevant. Schemes under Axes 3 and 4 promote business sustainability and cohesion, again, gender is irrelevant as a decision criteria.
2. The RDP went through equality Impact Assessment and RDP managers explained that considerable attention has been paid to ensuring that there are no barriers to access; this includes the use of specific strategies under Axes 3 and 4 where these are necessary to ensure equality of opportunity. The RDP was not envisaged as a major tool of social change.
3. The Welsh Assembly Government set as a cross-cutting theme of the programme that equal opportunities should be mainstreamed. This covers a broad range of issues, for example young and old people and black and minority ethnic groups but gender is an important component. As part of the evaluation a representative of the equality body, Chwarae Teg, was interviewed. The lack of good information on gender equality in reports to the PMC was noted.
4. The agricultural and forestry industries in Wales have a predominantly male workforce. For example about 80% of full time regular farm workers are male and about 65% of regular part time workers are male (Welsh Assembly Government Statistics for Wales, 2009). No detail is given of the breakdown between men and women in the category "Farmers, partners, directors and spouses" but a large proportion is certain to be male.
5. It is a requirement of the CMEF that for many Measures (for example Measure 111, training and information) a record of the gender balance between participants in schemes be kept. Where this has been done it tends to show that most participants and beneficiaries in Axis 1 and 2 are male which reflects the structure of the industry served.
6. The survey responses to some schemes allow us to look at the balance of jobs created, for example by the PMG scheme. The employment opportunities created by this scheme have been predominately taken up by males, although this is not to say that there is any inherent bias. However, there is no specific mechanism to address gender or other

equal opportunity issues within the framework of the PMG scheme or the SCE scheme.

7. There is no evidence to suggest that support under the RDP has not been provided equally to all who meet eligibility criteria and there is no suggestion that eligibility criteria preclude the involvement of any specific groups. However, it is possible that, inadvertently, certain groups access the support disproportionately. For example, output indicator data made available to the evaluators in relation to Farming Connect shows that 88% of the 667 participants where gender was recorded were male (see Measure 111).
8. Our survey found that 84% of the first partner or director in beneficiary businesses was male. This compares with 83% for non-beneficiaries. While the proportion of first partners or directors who were male increased with farm size and differed by farm type, there were no statistical differences by participation in RDP schemes, which suggests an equality of access.
9. In contrast, two-thirds (67%) of the second partners or directors in beneficiary businesses were female. Similarly, for non-beneficiary businesses 66% of second partners or directors were female. While it does not necessarily follow that the second named female partner or director of a beneficiary business is a spouse, the implication from this is that it is common for partnerships between husbands and wives to name the man first and the women second. If this assumption is correct, then a large proportion (approximately four-fifths) of supported businesses might be family partnerships and this would imply that support under the RDP was more equally distributed by gender. It should be noted that, as farm economic size increases, the proportion of second partners or directors that are female declines, which is consistent with larger farms tending to involve brothers or sons as formal business partners and company directors. A similar pattern of a declining proportion of second partners or directors being female as farm business size increases exists among the non-beneficiary sample. Overall, the conclusion is that while a majority of recorded farm beneficiaries are male they are part of farming family households that include females.
10. In terms of impact, the main area where a differential impact on gender might be apparent is the creation of employment (including protection of existing jobs). Tables presented in relation to each of the RDP Measures reported on employment creation/protection and split this into full-time/part-time and male/female. These can be summarised as follows:
 - Measure 111 (Farming Connect): all of the full-time and part-time full-time equivalent positions (FTEs) that were created were for males.

- Measure 123 (Processing and Marketing Grant scheme): 2.4 jobs were created for males for every job created for females amongst non-farm respondents. Some 73% of the full-time jobs created were for males, as were 64% of part-time jobs. Amongst the farm respondents, 5.1 full-time jobs were created for males for every full-time job created for females although only 0.7 part-time male jobs were created for every female part-time job.
 - Measure 212 (Tir Mynydd): proportionally more female full-time positions have been protected (1.4 full-time female jobs for every 1 full-time male job).
 - Measure 214 (Tir Cynnal, Tir Gofal and Organic Farming Scheme): all full-time and part-time jobs lost as a result of participation are male.
 - Measures 221, 223 and 227 (Better Woodlands for Wales): 2.0 full-time male jobs created for every full-time female job, all part-time jobs created were for males.
11. The picture provided is somewhat mixed. In terms of job creation/protection there is a general dominance of those for males, although the PMG scheme has created proportionally more female part-time jobs. This may reflect the type of work created or, in the case of the PMG scheme, greater flexibility in terms of hours, although this is not testable with the information available to us. Measure 214 has apparently cost male jobs, but not female jobs. Again this is likely to reflect employment patterns on participating farms and the nature of the potential work lost, but is not testable. Finally, Tir Mynydd seems to have safeguarded female employment. However, this may mean that, with the support of the scheme, there is sufficient work for a proportion of spouses, but in the absence of the scheme the expectation is that the need for this work will be removed. This is perhaps slightly different from a situation where jobs are lost, although again this is not testable.
12. In Axis 3 there have been targets set for approved projects for participation by men and women in different Measures. For example for Measure 312 micro enterprises, targets have been set for potentially disadvantaged groups in projects approved in Business Plan Round 1. In this sense equal opportunities have been mainstreamed. It is too early for there to be much information of actual participation by men and women.

Table 0-1: Numbers of potentially disadvantaged groups set as targets for participation in Business Plan Round 1 approved projects for Measure 312

Indicators - numbers participating in the projects	Total targets in Business Plan Round 1 Projects
Number of women	669
Number of black and minority ethnic groups	50
Number of Welsh speakers	608
Number of elderly people	394
Number of individuals from under employed groups	77

Source: Offer letter Annex B targets supplied by Welsh Assembly Government to the evaluators.

13. In summary, there is no evidence to suggest that the RDP does not provide equal gender opportunities in terms of the direct receipt of support, although there is some evidence that, at least in terms of employment creation/protection, males benefit more than females. However, the pattern is complex and no conclusion of systematic bias can be drawn.