

## NFFN Cymru: SFS Consultation Response

### 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?**

The scheme's intentions, ambition and principles are positive. We welcome the WG's recognition that food production, nature, climate and socio-economic outcomes can be delivered together, sometimes on the same land, by adopting a holistic land sharing approach. The Rural Affairs Minister's foreword speaks of the vital role that farmers can play in producing food and fibre whilst delivering these multiple benefits on farms - we welcome this statement. The NFFN's Rethink Farming report includes numerous examples of farmers delivering positive environmental outcomes alongside food production.<sup>1</sup>

Rightly so, the scheme has a strong focus on maintaining and enhancing the environment. Biodiversity loss and climate change are identified as risk to the world economy in general and to food security specifically.<sup>2</sup> Similarly, the twin nature and climate crises are among the biggest medium to long term risks to UK domestic food production, alongside other factors, including soil degradation and water quality.<sup>3</sup> Producing sustainable food in ways that tackle climate change and enhance biodiversity is therefore of utmost importance.

However we must achieve these multiple benefits in a socially responsible way - acknowledging that agriculture is the cornerstone of our rural communities and supports countless rural jobs and services. It underpins Wales's rich cultural heritage; be it through associated social and cultural clubs, events and activities, inspiring literary works or helping the Welsh language thrive in many rural populations across Wales. A *just* transition in food and farming needs to account for all four elements of sustainability; environmental, economic, social and cultural.<sup>4</sup>

Over 1,200 people have signed NFFN Cymru's [open letter](#) to the Rural Affairs Minister outlining our 5 key asks.

1. Provide a proper long-term funding package for nature-friendly farming to adequately reward farmers for delivering genuinely sustainable land management alongside food and fibre production.
2. Ensure that no farmer gets left behind by delivering all elements of the scheme by 2026 including optional and collaborative elements to support the most ambitious land management action.
3. Follow the principle of the right tree in the right place for the right purpose to harness the benefits of integrating trees on farmland while avoiding trade-offs.
4. Payments that go beyond income foregone and costs incurred that deliver genuine outcomes through schemes that are more flexible, reward results and harness existing farmer knowledge.
5. The right advice, guidance and support for farm-level change through increased investment and capacity for face-to-face advisory services and farmer to farmer knowledge exchange.

The SFS must be a *genuine* partnership between farmers and the Welsh Government based on mutual trust and respect. Welsh farmers stand ready to deliver on all the SLM outcomes outlined in the consultation, helping to maximize value for public expenditure. However, to secure all these multiple benefits farmers must be rewarded fairly and supported sufficiently.

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<sup>1</sup> Rethink Farming: A Practical Guide for Farming, Nature, Climate

<sup>2</sup> The Economics of Biodiversity: The Dasgupta Review

<sup>3</sup> United Kingdom Food Security Report 2021

<sup>4</sup> Well-being of Future Generations (Wales) Act 2015

## The SFS Budget

The SFS's ambition is commendable, and farmers are uniquely placed to help address many societal issues and support the WG in meeting many of its legal obligations and targets. However, to do this the scheme needs to be adequately funded.

The overall costs of meeting environmental priorities through land management in Wales are estimated at over £500m per annum.<sup>5</sup> However this does not estimate the total budget needed for future farming policy. For example, the model does not cost supporting investments such monitoring and evaluation, transaction costs or wider funding associated with rural development. Yet investment in these aspects will need to be significant, meaning that the total figure is likely to be much higher.

The Welsh Government's entire Departmental Rural Affairs budget for 2023-24 was around £480 million (which represents about 2% of the total budget). However the 2024-2025 Rural Affairs budget has seen a cut of £62m - a reduction of 13% from the previous financial year. The SFS is clearly underfunded (as evidenced by WG's own SFS economic modelling).<sup>6</sup> The level of funding *must* match the level of ambition outlined in the consultation.

**Key ask: Provide a proper long-term funding package for nature-friendly farming to adequately reward farmers for delivering genuinely sustainable land management alongside food and fibre production.**

## 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?
- b) What support might you need to achieve them?

### 10% Biodiversity

We welcome the Scheme Rule that at least 10% of each farm is managed as habitat. Research has demonstrated that regardless of management approach, the critical factor governing on-farm biodiversity is the presence and abundance of semi-natural habitat.<sup>7</sup>

Evidence also shows that integrating a diverse range of habitats and features on farmland can maintain and even increase yields<sup>8</sup>. For livestock systems, studies have demonstrated increased yield in grassland because of increasing plant diversity and species richness.<sup>9, 10, 11</sup> Furthermore, soils under low intensity management with high species diversity are shown to have significantly higher carbon content, whilst intensive grassland management reduces soil carbon stocks.<sup>12</sup> From an arable perspective, a large-scale study found that incorporating nature friendly habitats on just 8% of farmland boosted the yield of flowering crops by 25% and resulted in no losses of yield for wind-pollinated crops due to an increase in pollinators and crop pest predators arising from wildflower margins and other habitats.<sup>13</sup>

<sup>5</sup> An assessment of the financial resources needed for environmental land management in the UK

<sup>6</sup> Potential economic effects of the Sustainable Farming Scheme

<sup>7</sup> Gains to species diversity in organically farmed fields are not propagated at the farm level

<sup>8</sup> Long-term evidence for ecological intensification as a pathway to sustainable agriculture

<sup>9</sup> Biodiversity for multifunctional grasslands: equal productivity in high-diversity low-input & low-diversity high-input systems

<sup>10</sup> Overyielding in experimental grassland communities – irrespective of species pool or spatial scale

<sup>11</sup> Long-term enhancement of agricultural production by restoration of biodiversity

<sup>12</sup> Legacy effects of grassland management on soil carbon to depth

<sup>13</sup> Wildlife-friendly farming increases crop yield: evidence for ecological intensification

Basically, if food is not produced sustainably, stability and utilisation are threatened, which risks long-term availability and access.<sup>14</sup>

NFFN Cymru's latest report presents evidence of an average increase in farm profitability of 42% when farms actively work with the natural environment to manage production sustainably, restore nature and cut input costs.<sup>15</sup> Furthermore, an analysis of 165 farm business accounts across the UK finds that maximising production is both financially and environmentally unsustainable if reliant on large quantities of fossil fuels, artificial fertilisers, and animal feed, while a shift to nature friendly farming resulted in a 45% increase in commercial return.<sup>16</sup> Empirical evidence shows the huge potential and radical opportunities that agroecology offers to farmers that could (and should) be the basis for the future transformation of agricultural policies, since agroecology not only allows for more sustainable production of healthier food but also considerably improves farmers' incomes.<sup>17</sup> The evidence disproves the misconception that dedicating 10% of land towards habitat means taking land out of production.

We believe that dry stone walls, such an iconic feature of the Welsh landscape, should be eligible for inclusion within the 10% habitat scheme rule as they provide numerous biodiversity benefits.<sup>18</sup>

Crucially this scheme rule must reflect the Environment (Wales) Act 2016 DECCA Approach to ecosystem resilience, which means allowing spaces for nature across the *whole* farm. Nature mustn't be confined to a single habitat or to one section of a farm. Over time, this scheme rule should aspire to replicate the [Fair to Nature](#) farmland biodiversity standard.

Minimum of 10% well-managed for nature (enclosed land)	
Habitats	Area requirement
Semi-natural habitat	No minimum % Can include existing native broad-leaved woodland <sup>1</sup>
Hedges, edges, trees and scrub	Minimum of 2%
*Ponds and other wet features	1 per 50 ha Or one per farm if total area is less than 50ha
**Flower rich habitat	Minimum of 4%. Existing (flowering) semi-natural habitats can contribute. Does not include woodland
***Seed rich habitat	Minimum of 1% Only applies if 10% of farm is arable/temporary grassland
<sup>1</sup> Existing Woodland –management advice via the <a href="#">woodland wildlife toolkit</a>	
<sup>2</sup> Where present all <b>unenclosed/upland semi-natural habitats</b> will also be well-managed for nature i.e., in addition to the minimum of 10% enclosed land well-managed for nature.	
<b>Woodland creation</b> is additional to the 10%, unless it contributes directly to target habitats e.g. stream-side corridors (in hedges, edges, trees and scrub). New woodlands must avoid negatively impacting important wildlife habitats, species and deep peat.	

This approach would help ensure a **diversity** of habitats across farms, increasing habitat **extent** and **connectivity** for wildlife - all helping towards improving habitat **condition**, building resilience and **adaptability**.

Farming isn't a battle against nature, but a partnership with it. We recommend that Farming Connect produce a farmer-friendly guidance booklet that clearly outlines the habitats that qualify towards the 10% habitat scheme rules. It should expand on their associated benefits for both the environment and the farm business. This can help debunk the notion that creating or managing land for habitat means sacrificing food production, but rather forms an essential component of it.

<sup>14</sup> Food Security and Nutrition Building a Global Narrative Towards 2030

<sup>15</sup> Nature Means Business Wales / Mae Natur yn Meddwl Busnes yng Nghymru

<sup>16</sup> Farming at the Sweet Spot

<sup>17</sup> The economic potential of agroecology: Empirical evidence from Europe

<sup>18</sup> Farm Wildlife: Dry Stone Walls

## 10% Woodland Cover

NFFN Cymru welcomes support to increase woody habitats on farms. Similar to the 10% habitat requirement, there's a narrative at play that pits agriculture against trees - a belief that farmers must choose between producing food or planting trees. This is a shame, as agroforestry, silvo-pasture, orchards, hedgerow trees, in-field trees and appropriately planted woodlands can form an important component of the farmed landscape. Trees can play a vital role in delivering ecosystem services,<sup>19</sup> improving agricultural productivity and resilience,<sup>20, 21, 22</sup> improving animal health and welfare,<sup>23, 24</sup> and providing an alternative income stream.<sup>25</sup> Fruit and nut trees can also contribute towards food security. This evidence challenges the notion that planting trees means taking land out of production.

However, a gung-ho approach to woodland creation can result in planting trees in the wrong areas. The WG's tree planting targets are driven solely by the need to sequester carbon, however we also need to consider biodiversity, efficiency and productivity gains, as well as economic opportunities. A narrow focus on carbon sequestration could lead to perverse outcomes, such as biodiversity net loss or even carbon losses from the soil, as well as an unnecessary reduction in food production. These unintentional outcomes highlight some of the complexities of developing an effective climate mitigation strategy at the farm level. When it comes to tree planting, we *must* plant the right tree in the right place based on sound strategy.<sup>26</sup> Spatial targeting in the woodland planting to help prioritise areas for tree planting.<sup>27, 28, 29</sup>

**Key Ask: Follow the principle of the right tree in the right place for the right purpose to harness the benefits of integrating trees on farmland while avoiding trade-offs.**

Whilst we acknowledge that increasing tree cover on farms can yield multiple positive outcomes for both the farm business and the environment; we do have reservations about a *one size fits all* policy approach to tree planting. It fails to acknowledge that every farm is different, and therefore priorities and outcomes will differ accordingly.

We welcome clarity that the 10% tree cover requirement will not necessarily be calculated on the whole farm area, but rather on the remaining area once unplanted areas have been removed. Whilst this is welcomed, flexibility, it could be argued that this added flexibility relates mostly to upland farms due to the more likely presence of priority habitats/ designated land/ unsuitable planting areas. Many upland farms that have less than 10% tree cover will meet the scheme rule due to this added flexibility, leaving little incentive to plant more trees. The burden of planting therefore falls heavier on lowland, more productive farms.

As a compromise, the 10% tree cover threshold could be lowered to ~7% (average woodland cover on Welsh farms) and beyond this point farmers would receive an incremental payment increase (£/ha) for every % increase in tree cover on their farms. This could be capped at around 25% to avoid entire farms being planted.

This flexible approach could achieve three things.

- 1) Make the scheme more accessible for more productive farms on better agricultural soils
- 2) Reward farmers who already exceed 10% tree cover on their farms
- 3) Encourage and reward farmers to plant more trees

<sup>19</sup> Reconciling productivity with protection of the environment: Is temperate agroforestry the answer?

<sup>20</sup> Tree and livestock productivity in relation to tree planting configuration in a silvopastoral system in North Wales, UK

<sup>21</sup> Agroforestry for livestock systems

<sup>22</sup> Trees on farms to support natural capital: An evidence-based review for grazed dairy systems

<sup>23</sup> Pairing agroforestry with livestock: the major benefits

<sup>24</sup> Agroforestry options

<sup>25</sup> Broadleaf Wales

<sup>26</sup> NFFN Cymru: Tree Planting is Not a Silver Bullet for Tackling Climate Change

<sup>27</sup> Spatial targeting of woodland creation can reduce the colonisation credit of woodland plants

<sup>28</sup> Opportunity mapping – targeting woodland creation for water objectives

<sup>29</sup> Hedges & edges: Spatially targeting woodland creation in fragmented landscapes

Rather than aspire to have every individual farm achieving 10% tree cover, perhaps we should be looking to achieve a 10% average across the sector.

We suggest that hedgerows over 3m tall count towards the 10% tree target as this would;

- a) Encourage farmers to establish more hedgerows
- b) Encourage better (less frequent) management
- c) Make the scheme accessible to more farmers without compromising scheme ambition

We note that the ground layer of woody habitats can contribute to the 10% habitat requirement, while the tree canopy in the same area could contribute to the 10% tree cover requirement. This essentially means that if a farmer has 10% broadleaf woodland cover, they will automatically meet the 10% habitat requirement. Whilst this will certainly increase scheme participation, it could also disincentivise habitat creation. Furthermore, if a farmer has less than 10% tree *and* habitat on their farm, the easiest way to achieve both targets would be to plant trees. This approach will make tree planting the simplest way of complying with the scheme rules - regardless of whether it's the most suitable or beneficial option for the farm.

We reiterate our concerns that a narrow focus on creating one specific habitat type, driven by a sole objective, is at odds with the DECCA approach to ecosystem resilience.<sup>30</sup> In the drive towards achieving net-zero, equal consideration should be given to other carbon-rich agricultural habitats. Evidence shows that nature-based solutions such as agroforestry, restoring and creating species rich grasslands and establishing multi species leys, peatland restoration, establishing wildflower field margins, wetland and hedgerow creation should be prioritised to deliver twin nature and climate benefits.<sup>31</sup>

There may be merit in placing the 10% tree requirement in the optional layer. However, woodland planting schemes already exist in Wales, and uptake is low,<sup>32</sup> therefore we question whether this approach would incentivise tree planting. Should this scheme rule be moved to the Optional Actions, it will need to be backed up by generous payments to encourage farmers to plant trees.

Whatever shape or form this scheme rule takes, the WG must better communicate the requirements to farmers. The current proposals are *still* misinterpreted by some as having to plant an additional 10% of their land in addition to existing tree cover, whilst an assumption exists that meeting this requirement means taking land out of production. Farming Connect can play a role in outlining what the scheme rules are, whilst demonstrating how to effectively integrate trees on farms in a way that delivers multiple benefits for biodiversity, climate, water management, efficiency and productivity gains, as well as creating economic opportunities. This can help counter the narrative that pits agriculture against trees and the belief that we must choose between producing food or planting trees.

### **Habitat and Tree Cover Maps**

The WG's intention is to provide and agree with farmers a digital map and associated information compiled to show the habitat, hedgerows and trees present on farms as held in the RPW mapping system. Farmers must then check and update the information. However there are questions over the accuracy of these maps. It has been estimated that 70% of Habitat Wales scheme applications include serious errors in terms of habitat mapping, with out-dated and incorrect data included, as well as habitat being omitted.<sup>33</sup> The Universal Actions payment methodology includes an area-based payment for habitat land and woodland; therefore maps must be up to date and accurate. We call on the WG to urgently update and rectify these inaccuracies prior to the scheme launch. Process must be in place for farmers to challenge and correct any inaccurate data held by WG.

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<sup>30</sup> Ecosystem Resilience in a Nutshell 1: What is ecosystem resilience?

<sup>31</sup> Sustainable climate change mitigation in UK agriculture

<sup>32</sup> Why is Wales missing its tree planting targets?

<sup>33</sup> FUW: Farmers angered by Habitat Wales scheme errors and payments

### Advice, Guidance and Support

Navigating a new scheme with its associated rules, requirements, monitoring, data gathering and inputting will be challenging for many. Around 16,000 farmers receive the BPS in Wales, but only some 3,000 farms entered Glastir AES agreements. The SFS therefore marks a culture change for many farmers.

As such, we need the right advice, guidance and support to help transition to and deliver the SFS.

- Advice can help farmers better understand schemes, increase participation and help change farmer's attitudes towards nature friendly farming, developing trust between the industry and Government.
- High quality advice (including farmer-to-farmer knowledge exchange) can help farmers to follow best practice and to ascertain why management has or has not led to the desired outcome, thus improving the standard of schemes.
- When farmers understand *why* they are doing something, they are more likely to take ownership of outcomes.
- Expert advice can help facilitate, coordinate and develop a better understanding of targeted, more complex landscape scale schemes.
- It can help incorporate and develop a greater understanding of how nature friendly farming can improve the farm business and productivity.
- Advisors should be local and independent, and separate from the function of the regulator.
- Employment of appropriate individuals, sensitive to the needs of farmers is needed *throughout the duration* of SFS contracts.
- Advice should be available in relation to all the Sustainable Land Management (SLM) outcomes. As such it's imperative that farmers don't receive conflicting/ siloed advice, particularly in relation to economic and environmental outcomes. Advice should identify *win-win* scenarios where farm business economics and the environment benefits overlap.

### **Key Ask: The right advice, guidance and support for farm-level change through increased investment and capacity for face-to-face advisory services and farmer to farmer knowledge exchange**

We welcome the WG's commitment to continue to deliver a range of agricultural and environmental schemes supporting a range of outcomes ahead of the introduction of the full Optional and Collaborative layers. In the absence of the most ambitious tiers of the SFS, interim capital support schemes must be available to help farmers meet both scheme rules, as well as the other 17 Universal Actions.

### **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?**

#### **UA1: Benchmarking**

Benchmarking and measuring performance make sound business sense. Indeed, numerous agricultural organisations actively encourage farmers to record performance and partake in benchmarking exercises.<sup>34, 35,36</sup> As such, we believe that encouraging farmers to benchmark through government policy is a sensible idea - better yet if there's a payment attached to the action. Ideally, performance monitoring should be relevant to what certification/ assurance schemes and the food supply chain are asking for.

<sup>34</sup> HCC Red Meat Benchmarking Project - driven by data

<sup>35</sup> Farming Connect Benchmarking Programme

<sup>36</sup> National Sheep Association - Checking Business Health



However we do have reservations that some production focused KPIs could result in perverse economic and environmental outcomes. For example, whilst improving overall yield, reducing age of slaughter or daily liveweight gain can certainly help farms to be more efficient and profitable, and even improve environmental performance - it can also drive intensification and encourage purchasing ever-increasing costly inputs (fertilisers, feed, chemicals and veterinary medicines). These KPIs could well encourage more grain fed livestock systems, and place pasture fed systems at a disadvantage. Consider also that slow grown beef and lamb reared on diverse pastures, as well as slow grown poultry, are more nutrient dense than fast-grown meat that relies on external inputs.<sup>37, 38</sup> We urge the WG to undertake a better analysis of where certain KPIs might compromise or undermine others.

Every farm in Wales is different - so one farmer's success might be another farmer's problem. As such, when comparing KPIs it would be beneficial and more accurate to compare KPIs relative to similar farming types and systems. For example, many upland hill farmers on rough ground usually have lower lambing scanning % compared to their lowland counterparts, and ewes are more likely to rear single lambs than twin lambs. However, many upland systems prefer this as having too many twins can place too much pressure on the in-bye land during the summer (as twins and their mothers don't normally go up to the mountain, or if they do, the mothers will go up after weaning). When comparing farms, KPIs such as mortality rates/ livestock losses would be preferable as they are applicable to all farming systems and are generally an indication of good husbandry and improved economic and environmental performance.

We very much support setting KPIS for metrics like gross margin/ full economic cost of production. Success in farming is often characterised by revenue/ sales, with margins/ cost of production of lesser importance. High revenue doesn't guarantee profitability<sup>39</sup>; therefore we welcome closer analysis of farms' overall financial performances. We would suggest encouraging farm businesses to analyse their production costs in more detail - looking specifically at fixed costs, productive variable costs and corrective variable costs - with the view of calculating their Maximum Sustainable Output.<sup>40</sup>

Although we welcome this action in principle - guidance and advice must be provided to support farmers. The process of recording and inputting data must avoid being overly bureaucratic and time-consuming.

## **UA2: Continuous Personal Development**

Continuous personal development and training are common practices in most occupations and can help keep skills and knowledge up to date, prepare for greater responsibilities, boost confidence, enable better decision making. Undertaking a minimum of six online CPD modules each year by a registered partner within the business, each consisting of approximately one hour of online learning and a short assessment, sounds reasonable. Support should be available for farmers to complete modules - particularly those who lack computer literacy skills. However, is there any evidence that farmers find this an effective way of learning? Could this be complimented by farm visits and face-to-face discussions instead? We agree that a Health and Safety module should be mandatory. The e-learning modules need to be of a high standard and relevant to the farming business to make this action worthwhile. This action should not be a tick box exercise for farmers and the Welsh Government.

## **UA3: Soil Health Planning**

We welcome actions to support farmers to measure and improve soil health. However, for this action to be truly worthwhile farmers need to receive high quality advice on how to improve soil health. To date, soil testing analysis is usually accompanied by recommendations to apply inputs in the form of artificial fertilizers

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<sup>37</sup> Nutritional Benefits from Fatty Acids in Organic and Grass-Fed Beef

<sup>38</sup> Slow-growing broilers are healthier and have more positive welfare

<sup>39</sup> Nature Means Business - the business case for nature-friendly farming

<sup>40</sup> Nethergill Associates: MSO

or lime to improve soil health. This very much follows the mantra that the *solution is in a bag*. However these inputs are becoming increasingly expensive and are now unaffordable to many farmers. We believe that advice in relation to soil health should concentrate more on providing holistic, nature-based solutions to improving soil health.<sup>41</sup> This might include increasing species diversity in swards<sup>42,43</sup>, effective grazing management<sup>44,45,46,47</sup> or agroforestry.<sup>48,49</sup>

Support should be made available for farmers who want to test more than 20% of their land each year. We also support encouragement for visual soil health inspection such as undertaking a spade test<sup>50</sup> or soil water infiltration testing.<sup>51</sup> Perhaps these visual assessments could form a component of CPD training?

#### **UA4: Multispecies cover crop**

The benefits of establishing cover crops are well documented.<sup>52</sup> Farmers must be supported and rewarded appropriately for undertaking this action and must include payments that go beyond income forgone and costs incurred.

#### **UA5: Integrated Pest management**

We welcome this action, provided farmers receive sufficient support to comply. For this action to be truly worthwhile farmers should also receive quality advice and support to reduce reliance on plant protection products, bearing in mind that Wales has signed up to reduce the use of pesticides by 50% by 2030 through the UN Convention on Biological Diversity COP15.<sup>53</sup>

#### **UA6: Managing heavily modified peatland habitat**

We welcome this action. Support must also be available to reward farmers to restore modified peatland, as opposed to solely preventing further damage.

#### **UA7: Habitat maintenance**

There is insufficient information regarding habitat maintenance requirements for the broad habitat types within the scheme. The sole example given is for enclosed semi-natural dry grassland, which follows the traditional payment system that is management based, prescribing when or what the farmer must do or must not do to receive a payment. Whilst the aims for this habitat type are welcomed, we don't believe the management requirements will lead to the desired outcomes. For example, compliance with seasonal sward height requirements - which can be as low as 5cm during the summer - is not a guaranteed recipe for successful semi-natural grassland management.

We urge the WG to transition away from this traditional approach towards a results-based payment approach.<sup>54</sup> This approach offers farmers the flexibility to use their knowledge and experience to manage the land in a way that delivers agreed environmental results alongside their food and fibre production activities.<sup>55</sup>

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<sup>41</sup> NFFN Cymru: Farmers in South Wales learn how to weatherproof farming against drought and floods

<sup>42</sup> Can increasing plant species richness in grassland maintain yield and improve soil carbon storage?

<sup>43</sup> Multi-species grassland: Is it time to consider your roots?

<sup>44</sup> Managing Grazing to Restore Soil Health, Ecosystem Function, and Ecosystem Services

<sup>45</sup> Rotational grazing shown to increase soil organic matter on Welsh farm

<sup>46</sup> Learnings on soil health, regenerative grazing and whole-farm planning

<sup>47</sup> The importance of how we graze our cattle and sheep - a look at Mob grazing

<sup>48</sup> Agroforestry: an opportunity for sustainable intensification of farmland to improve productivity and reduce environmental impact

<sup>49</sup> Agroforestry for soil health

<sup>50</sup> How to take the perfect spade sample

<sup>51</sup> AHDB: Water infiltration test

<sup>52</sup> AHDB: Why grow cover crops?

<sup>53</sup> COP15: historic global deal for nature and people

<sup>54</sup> Results Based Payments Network

<sup>55</sup> Biodiversity indicators for result-based agri-environmental schemes - Current state and future prospects



The farmer is in principle free to do what fits the site, the weather of the year, the farm and her or his own situation - it is only the environmental results that counts. Results can be measured robustly and effectively via an annual scorecard assessment which factors criteria such as key indicator species, their frequency, as well as structural diversity.<sup>56</sup> This approach can help with facilitating behavioural change towards habitat management.<sup>57</sup> We recommend that the WG continue supporting trial work for this approach in Wales, similar to the Llŷn Payment for Outcomes Trial.<sup>58</sup>

### **Universal Code for Habitats**

The Universal Code for Habitats includes an extensive list of what farmers cannot do on habitat land. Whilst do's and don'ts can form an important component of habitat management, and over-reliance on this approach can be counter-intuitive as the whole process becomes too rigid and constrictive. For example, many nature-friendly farmers apply organic manure on their hay fields, whilst other supplementary feed hay during the winter e.g. bale grazing in conjunction with deferred grazing.<sup>59,60</sup> The Universal Code for Habitats could threaten good management practice unless flexibility is incorporated.

### **UA8: Create temporary habitat on improved land**

We would welcome more information on the requirements associated with all the habitats included in this list. The only example given is for the establishment of mixed leys on improved land. The requirements should encourage best management practice for herbal leys to maximize their benefits. For example, the Calon Wen Organic Milk Cooperatives' Pasture for Pollinators Project outlines how herbal leys could be incorporated onto dairy farms to increase pollinator populations without compromising yield.<sup>61</sup> The farmers used a combination of techniques, including using diverse herbal leys with a high proportion of flowering plants compared to standard rye grass/ clover leys, leaving margins uncut at silage time, or ungrazed to provide a refuge for pollinators. In nearly all cases, pollinator numbers were significantly higher in the uncut/ ungrazed margins compared to cut/ grazed margins, indicating that leaving these refuges was effective in ensuring a continuous supply of food for pollinators, with pollinator numbers rising from 12 in the cut part of the field to 189 in the uncut margin on one of the farms.<sup>62</sup>

### **UA9: Designated Site Management Plans**

We welcome this action; however we are concerned whether NRW has sufficient resources and capacity to engage in meaningful and constructive discussion with farmers on how to best manage designated sites. We have similar concerns regarding NRW's capacity to effectively monitor designated sites. We are also extremely concerned about the delay in providing appropriate payments for designated sites management - a point which we expand on later.

### **UA10: Ponds and scrapes**

Provided farmers are supported and rewarded appropriately, beyond income forgone and costs incurred, we welcome this action. Wales has many aquatic and riparian habitats, including lakes, rivers, streams and ditches. However, smaller bodies of standing water habitats are less common in the farmed landscape. Advice and support should be provided for farmers to determine most suitable areas for wetland creation. Again, this should not be a tick box exercise for farmers - it will require strategic thinking that should consider existing features within the wider local landscape.

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<sup>56</sup> Developing payment-by-results approaches for agri-environment schemes: Experience from an arable trial in England

<sup>57</sup> Result-oriented agri-environmental schemes in Europe and their potential for promoting behavioural change

<sup>58</sup> National Trust Payment for Outcomes Trial, Llŷn, Wales

<sup>59</sup> Bale grazing as an effective livestock overwintering strategy

<sup>60</sup> Outwintering Strategies for Livestock

<sup>61</sup> Calon Wen – Pastures for Pollinators

<sup>62</sup> Farm Wildlife Case Study: Pastures for Pollinators

#### **UA11: Hedgerow management**

We very much welcome this action, provided farmers are supported and rewarded appropriately for doing so. Most of the UK's hedgerows are in poor condition, with local hedgerow surveys across the UK suggest that only 41% of hedges are in favourable condition.<sup>63</sup> We consider over-management caused by excessively tight trimming early in the cutting season, and on an annual basis, as the main reasons for this. This is a mindset that is unlikely to change unless this action is included in the Universal Layer of the scheme. Better hedgerow management can deliver a host of benefits, including for biodiversity<sup>64</sup>, pollinators<sup>65</sup>, climate<sup>66</sup>, natural flood defence<sup>67</sup>, pest control<sup>68</sup>, soil health<sup>69</sup>, animal health and welfare<sup>70</sup>. Although the requirement for hedgerows to be stockproof in its own right, without fence lines, might be a challenge - particularly for sheep farmers.

#### **UA12: Woodland management**

Flexibility in terms of how woodlands are managed is also welcome, as opposed to having a blanket stock exclusion from all woodlands. Again, there should be flexibility in terms of the proposed restrictions. For example, it may be required to feed hay in woodlands during periods of adverse weather. Capital support should be made available to help manage woodlands, for example establishing secure boundaries or pest control (e.g. grey squirrels). We consider retaining all deadwood, and prohibiting its use as firewood for example, to be excessive.

#### **UA13: Create new woodland and agroforestry**

We welcome support for farmers to plant trees on their farms. However, we reiterate that this action must ensure we plant the right tree in the right place, avoiding major trade-offs and perverse outcomes for other objectives. Support must be generous and move beyond income-forgone and costs incurred to reflect the associated multiple benefits. Welcome natural regeneration of woodland as an option to increase tree cover.

#### **UA14: Historic environment - maintenance and enhancement**

We don't have significant comments to make on this action, only that if it's included in the final scheme design, farmers must be supported and rewarded sufficiently for maintaining and enhancing historic features on their farms.

#### **UA15: The Animal Health Improvement Cycle**

We welcome support to improve animal welfare and health on farms. The actions appear sensible; however we have concerns regarding the capacity of vets to be able to support this action. There's also a risk that this action will be costly as it needs to account for both the farmer and vet time.

#### **UA16: Good Animal welfare**

Recording animal condition and mobility makes good business practice. We do question the effectiveness of completing an *online* proficiency training on body condition scoring. Any training for this purpose would surely need to involve being in the presence of live animals. We reiterate that this shouldn't be a tick-box exercise for farmers and WG and avoid being overly bureaucratic and time consuming. Otherwise funding would be of better use elsewhere on more worthwhile actions.

#### **UA17: Good Farm Biosecurity**

The measures within this action appear sensible, provided farmers receive sufficient support to comply.

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<sup>63</sup> [Hedgelink - Importance of Hedgerows](#)

<sup>64</sup> [Long-term effects of hedgerow management policies on resource provision for wildlife](#)

<sup>65</sup> [The benefits of hedgerows for pollinators and natural enemies depends on hedge quality and landscape context](#)

<sup>66</sup> [Soil Association: Why are hedgerows important?](#)

<sup>67</sup> [The potential of tree and hedgerow planting to reduce the frequency and impact of flood events in the UK](#)

<sup>68</sup> [Sustainable pest regulation in agricultural landscapes: a review on landscape composition, biodiversity and natural pest control](#)

<sup>69</sup> [Hedgerows as Ecosystems: Service Delivery, Management, and Restoration](#)

<sup>70</sup> [Effects of heat stress on the welfare of extensively managed domestic ruminants](#)

**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?**

In its current format, the Universal Actions require farmers to collect and report on an extensive list of on-farm data. The Optional and Collaborative Actions will no doubt create additional requirements. It would be useful for WG to collate all these data recording requirements, as well as the required mechanisms for reporting, so that farmers know exactly what is expected under the SFS. Furthermore, farmers will want clarity as to how their data will be used and shared. Whilst we acknowledge there are numerous benefits in relation to the actions that require data gathering (e.g. benchmarking, soil health planning, animal health and welfare etc) the process of collecting and reporting data needs to be engaging and simple. WG should seek to minimise the administrative burden on farmers to achieve the Universal Actions.

Follow up visits from contract managers/ advisors are still required to measure progress. Many will want to be reassured that they're undertaking appropriate management or are on the right path towards achieving agreed actions - particularly due to WG's historic heavy-handedness in relation to minor administrative errors. Waiting towards the end of the contract period to review and agree to any corrective action is not a sensible approach. Farmers should be able to arrange follow up visits with their contract manager/ advisor to rectify management and check progress in relation to Universal Actions as early as possible, giving farmers the peace of mind that they're complying with scheme rules. This is vital to foster a better relationship between farmers and WG, to improve the quality of the scheme and ensure value for money.

This is applicable to the Habitat Baseline review process as well. Whilst it's important that farmers can check and amend data that is provided, this may be challenging. There is a lot of habitat information that cannot be reliably verified without field observation, at a suitable time of year, and by those with appropriate expertise. It is unclear whether there will be any resource for such ground truthing, or for the considerable time requirement for data correction and management? What is as important as reporting is their validation. For the SFS to function effectively, it will be essential for the government to dedicate adequate resources towards validating the results generated by on farm reporting. This is not only to check accuracy and compliance, but also represents an effective means of assessing the appropriateness and workability of scheme requirements.

**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?**

Whilst we welcome elements of the Universal Actions layer of the Scheme, farmers who are delivering above and beyond this baseline, or want to do so, will be looking towards the Optional and Collaborative Actions for additional payments and opportunities. WG proposes to introduce these additional layers over the Transition Period (2025-2029) meaning that many nature-friendly farmers stand to lose out in the short term.

For example, the additional benefits that organic farming delivers won't necessarily be recognised in the Universal Actions, and with the absence of any long-term organic support payments this poses a threat to the sector. Furthermore, the WG proposes that land designated as Sites of Special Scientific Interest (SSSIs) is prioritised for inclusion in the Scheme's Optional Actions to reflect the more bespoke and targeted management which may be required on these special sites. Bear in mind as well that the stability payment decreases annually as the BPS is phased out. As a result, those farms that are managing high quality habitats and delivering well above the SFS baseline, such as previous agri-environment scheme contract holders, (including common land graziers) risk taking a major funding hit, with farm incomes and biodiversity both likely to suffer. In the absence of the ambitious elements of the scheme, we welcome the introduction of a stability payment. However we're extremely concerned that those who are already developing multiple scheme objectives are being left behind.

**Key ask: Ensure that no farmer gets left behind by delivering all scheme elements by 2026 including the optional and collaborative layers to support the most ambitious land management actions.**

## 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?**

NFFN Cymru are content with this approach.

**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?**

There are many benefits of undertaking a farm carbon assessment; it quantifies a farm's carbon footprint and identifies areas on the farm that can be the focus of attention to improve efficiency and reduce greenhouse gas emissions. This can improve both economic and environmental performance.

However, carbon calculators are known to be inaccurate and inconsistent, particularly when measuring carbon sequestration. Many calculators estimate soil carbon stocks based on a postcode district look up table - this gives a soil t C/ha potential sequestration value, rather than a bespoke individual farm calculation.

Furthermore, a farm's performance will depend on how the carbon footprint is measured.

- **CO2 equivalent per kg of farm output** which measures efficiency of production. More intensive and efficient farm units are likely to fare better using this measure.
- **CO2 equivalent per ha of farm** which looks at the overall balance of the farm and is likely to provide more favourable results for more extensive farms, with trees and carbon sequestering soils.

Many calculators use the former criteria, meaning intensive farms generally have more favourable results than extensive farms, even if overall emissions are lower in extensive systems. Therefore there's a concern that GHG efficiency is conflated with GHG reductions. We are concerned that nature-friendly farms are encouraged to intensify in the name of efficiency, which could lead to both negative economic and environmental performance. The NFFN's Biodiversity & Carbon Auditing Project provides further information on the complex nature of these assessments.<sup>71</sup>

Carbon assessment is a new concept in Wales, and most farmers have very little experience in this field. This can contribute towards inconsistencies in the data that is inputted into these calculators as farmers might interpret data, and what should be submitted, differently. As such we would expect support to be available, particularly when undertaking the initial assessment.

Carbon calculators are generally inconsistent, not least because there are numerous calculators available for farmers to use, and we're aware that these calculators generate different results depending on which one is used. In order to achieve consistency and allow for accurate benchmarking there would be merit in asking all farmers to use a single calculator in the scheme. However, requiring potentially 16,000 farmers to use a specific calculator could distort the market.

We would welcome clarification on how the data is to be used. Due to the aforementioned issues, we would caution against using the data to benchmark or provide an in-depth analysis of the sector's road to achieving net zero. As such, for the time being we would recommend that farmers choose between a list of the most reputable and accurate calculators to help identify ways for reducing emissions and sequestering carbon.

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<sup>71</sup> NFFN NI: Biodiversity & Carbon Auditing Project

**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?**

NFFN Cymru would welcome the creation of National Minimum Standards that consolidate existing legal standards into one place, thus making it easier for farmers to understand and comply. Payments under the SFS should be conditional on undertaking actions that deliver sustainable land management outcomes at a level above those set by regulation. Regulation creates a level playing field, with all farmers and land managers bound by the same rules. The regulatory framework should apply to all farmers, irrespective of whether they receive financial support from the Welsh Government. This is necessary to make farms more sustainable whilst ensuring that the environmental benefits that farmers deliver through schemes are not undermined by damaging practices elsewhere.

Scheme enforcement should be fair and proportionate to the offence. Farmers should be given time to address any breaches or failings to become compliant, with follow up inspections to assess progress before any penalties are applied. For too long, minute administrative errors have been met by disproportionate financial penalties, eroding the trust between farmers and Government and affecting farmer's mental health. Enforcement must cover all farmers and land managers - not just those receiving support under the SFS. Inspections should be targeted at repeat offenders and those blatantly or purposefully breaking the rules. This is a huge source of frustration for farmers who are compliant with regulation and producing food in a way which doesn't harm the environment. It reflects badly on the industry as a whole and poses the risk of every farmer being painted with the same brush. As such, enforcement must be sufficient to eradicate this practice and change behaviour.

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

NFFN Cymru are supportive of adopting any measures that deliver a more efficient, fair and effective appeals process as part of the SFS. However, we have concerns about removing the independent and impartial panel in favour of an approach where all levels of the potential dispute involve only WG officials.

**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

NFFN Cymru are frustrated that uncertainty remains surrounding SFS payment rates. Bearing in mind that this is the final comprehensive consultation on the SFS, it is very difficult to make informed decisions and plan. The SFS payment rates must sufficiently reflect the associated costs, time, effort and value delivered and therefore must go beyond income forgone and costs incurred.

We welcome proposals to pay farmers for the areas they have under tree cover. Excluding payments on wooded areas under the BPS penalised farmers for having trees, therefore it's good to see this arrangement being flipped on its head. We reiterate our suggestion that the 10% tree cover threshold could be lowered (~7% which is average woodland cover on Welsh farms) and beyond this point farmers would receive an incremental payment increase (£/ha) for every % increase in tree cover managed on their farms. This could be capped at a certain point (~25%) to avoid entire farms being planted. Supporting farmers to plant the right tree in the right place, must be backed by generous payments.

If the Habitat Wales Scheme<sup>72</sup> (HWS) payment rates (£69/ha for habitat and £62/ha for woodland) are indicative of future SFS habitat payment rates, then many nature-friendly farmers will stand to lose out financially.<sup>73</sup> The NFFN, in partnership with the Soil Association and other farming organisations, surveyed 20 farms which showed an average loss of 76% in support under the HWS compared to Glastir. The main reasons being capping payments on larger farms and previous Glastir Advanced payment rates being significantly higher.

- Hay meadow conversion @ £235/ha
- Marshy grassland (pasture) @£241/ha
- Woodland stock exclusion @£80/ha
- Wood pasture @£78/ha
- Wildlife cover crop @£604
- Unsprayed cereals with winter stubbles @£440/ha

England's Environment Land Management Scheme (ELMS) habitat payment rates are also considerably higher (e.g. species-rich grassland at £642/ha).<sup>74</sup>

Fundamentally the Universal Actions need to be ambitious enough to drive real change to maximise SLM outcomes, but at the same time they shouldn't be unrealistic or unachievable. Baseline payments for delivering Universal Actions also need to be attractive enough to encourage scheme enrolment, but not overly generous as to deter farmers from taking up Optional Actions.

**Key Ask: Payments that go beyond income foregone and costs incurred that deliver genuine outcomes through schemes that are more flexible, reward results and harness existing farmer knowledge.**

## 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?**

In general, NFFN Cymru agrees that farmers already in the SFS should be prioritised for support in the Optional and Collaborative layers. However, for Collaborative Actions it may be essential that landowners not in SFS are included for interventions to be effective, particularly those involving landscape scale ecosystem enhancement projects. Perhaps there could be a competitive process for non-SFS farmers to access the Optional layer.

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

We reiterate that both the Optional and Collaborative layers of the scheme need to be introduced within 12 months of the launch of the SFS. These layers must be well resourced and payments must reflect the benefits they provide. All proposed actions should be brought forward as a matter of urgency, however if this isn't financially possible, we would consider the following a priority.

### Optional Actions

- Designated sites management
- Manage and enhance habitats through more tailored and bespoke site-specific actions (over and above the Habitat Maintenance Universal Action).

<sup>72</sup> Habitat Wales Scheme

<sup>73</sup> NFFN Cymru: Habitat Wales Scheme fails to back nature-friendly farming

<sup>74</sup> Environmental land management in 2024: details of actions and payments



- Habitat creation
- Natural flood management
- Improve soil biology for example through diverse planting, graze and rest practices, minimum or no till, use of anthelmintic plants or habitat management.
- Capital support for the infrastructure for graze and rest and/or to expand into other agricultural enterprises which enhance pasture management and livestock production.
- Payment for no artificial fertilizer use
- Payment for no pesticide use
- Traditional boundary restoration and creation (hedges and dry-stone walls)
- Capital support to help comply with the Compliance with The Water Resources (Control of Agricultural Pollution) (Wales) Regulations 2021
- Support for no-fence collars to facilitate habitat management with cattle grazing
- Support and advice for renewable energy generation
- Support to grow crops to lower the amount of (and reliance on) bought-in feed.

Organic support schemes must be maintained in the absence of additional support via the Optional Actions.

#### Collaborative Actions

- Landscape scale action, for the delivery of nature-based solutions <sup>75, 76, 77</sup>
- Innovation and knowledge transfer in agriculture for the development of new processes, techniques and technologies, and the development of solutions to solve sector challenges
- Trialling results-based payment schemes with farmer cluster groups.
- Support to invest in the sharing of facilities and resources to increase the profitability and resilience of farm businesses
- Actions to support increased resource efficiency and new supply chain opportunities to support increased local high quality food supply
- Common land management

Under a blunt area-based arrangement similar to the BPS, capping payments at a certain level, or introducing a system where payments diminish over a certain threshold makes sense. However, a similar approach for the optional and collaborative layers severely disadvantages larger farms that are delivering multiple societal benefits side by side with food and fibre production.

We also believe there should be an element of support for young farmers in the SFS.

#### 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.**

The proposals to transition from the BPs to the SFS appears sensible. It allows farmers time to decide when to access the new SFS arrangement and avoids a cliff edge transition to the SFS. However, this transition needs to happen sooner rather than later; therefore we support measures that encourage farmers to join the SFS in the early years. Any underspend in the BPS budget in any year of transition should be re-distributed to the SFS.

<sup>75</sup> NFFN: Ffermwyr yr Wnion Natural Flood Defence Farm Project

<sup>76</sup> Saving the cirl bunting from extinction in the UK

<sup>77</sup> Pitsford Water Friendly Farming

## 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.**

We ask that the Welsh Government consult with relevant stakeholders on the development of secondary legislation relating to agricultural support.

## 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.**

Understandably, farmers will be extremely concerned by the latest SFS economic analysis and modelling which paint a potentially bleak picture of the future.<sup>78</sup> As modelled, farmers are being asked to deliver more (e.g. in terms of environmental delivery) for approximately the same level of support funding. We reiterate our concerns that the SFS is significantly under-budgeted. The estimated impacts make for difficult reading.

- Welsh livestock units will reduce by 122,200 (10.8% reduction)
- Agriculture output will reduce by £125.3m
- Farm business income will reduce by £199 under the SFS Universal Action payments. Coupled with stability payments (valued at £117.3m) this is reduced to £81.6m.
- Standard labour requirement on Welsh farms will reduce by 11%

However, the estimated impacts fail to consider the optional and collaborative actions, which will form an important component of the SFS. This is why we're calling for the WG to introduce these additional SFS elements by 2026 at the latest, particularly as adopting agroecological farming practices and higher agri-environment payments increases income stability and raises farm income.<sup>79</sup> Future modelling must consider these scheme elements.

We also challenge some of the assumptions made in the modelling.

Firstly, less output doesn't necessarily mean losses at the farm business level. Research shows that farm profitability can increase substantially if farms actively work with the natural environment to manage production sustainably, restore nature and cut input costs.<sup>80, 81</sup> It is often assumed that as a business grows, financial performance will also increase due to economies of scale. The results of Hybu Cig Cymru's Red Meat Benchmarking Project demonstrated that this is not always the case.<sup>82</sup>

Secondly, the modelling also fails to consider emerging evidence that working with natural processes, such as increasing grassland species diversity and adopting effective grazing management via rotational and mob grazing systems can increase productivity and profitability while maintaining or increasing levels of output.<sup>83</sup>

Thirdly, we challenge the notion that habitat management assumes an automatic reduction in livestock numbers.<sup>84</sup> Welsh agri-environment schemes have focused on paying farmers to reduce livestock numbers, particularly on upland land parcels. Where historic overgrazing occurred, this approach has successfully

<sup>78</sup> Potential economic effects of the Sustainable Farming Scheme Phase 4 Universal Actions Modelling Results

<sup>79</sup> Stability of farm income: The role of agricultural diversity and agri-environment scheme payments

<sup>80</sup> Nature Means Business Wales / Mae Natur yn Meddwl Busnes yng Nghymru

<sup>81</sup> Farming at the Sweet Spot

<sup>82</sup> Hybu Cig Cymru: Red Meat Benchmarking Project – Driven by Data

<sup>83</sup> Rotational grazing and multispecies herbal leys increase productivity in temperate pastoral systems – A meta-analysis

<sup>84</sup> The importance of livestock grazing for wildlife conservation

restored habitat. However, some areas that were never overgrazed are now *undergrazed*, leading to a deterioration in habitat quality and species populations.<sup>85</sup> We mustn't repeat past mistakes - blanket policy approaches must be replaced by more well-thought out and strategic interventions.

Finally, the agricultural sector is already suffering from a decline in employment. The number of people working in agriculture in Wales declined by 13.6% between 2015 and 2021, due to the loss of 4,252 regular employees, salaried managers and casual workers and 3,666 farmers, business partner, directors and spouses.<sup>86</sup> 8,000 jobs in agriculture were lost between 2011 and 2021.<sup>87</sup> This loss exceeds the worst-case scenario identified in the latest economic analysis. The status quo is not a viable option. The wider economic and employment benefits of nature friendly farming must also be considered.<sup>88, 89,90</sup>

To avoid these potential devastating impacts and to realise a more positive vision for the future, the Welsh Government must properly invest in schemes that support an ambitious farming transition in Wales that delivers for food, farmers, nature and climate.

## Monitoring and Evaluation

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

Information on the following areas would be useful to monitor and evaluate the scheme.

- Farm input use (e.g. fertilizers, pesticides and bought in feed)
- Cost of production
- Area of habitat on farms
- Profitability
- Number of farms in the scheme
- Area of farmland in the scheme
- Veterinary medicine usage
- Greenhouse Gas Emissions
- Favourable Conservation Status of Designated Sites

## 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.**

**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?**

The continuation of farming in rural Wales is vital for the future of Welsh language and culture. In certain areas most farmers are first language Welsh speakers. Employing bilingual contract managers/ regulatory officers/ monitoring officers can perhaps facilitate a smoother transition to new schemes and break down perceived barriers. The provision of written advice and guidance should be made available bilingually (or any other written correspondence from WG for that matter).

<sup>85</sup> Graze with livestock to maintain and improve habitats

<sup>86</sup> The Farming Sector in Wales Research Briefing

<sup>87</sup> Farming facts and figures: 2022

<sup>88</sup> Hedge fund: investing in hedgerows for climate, nature and the economy

<sup>89</sup> The impact of green economy measures on rural employment: Green jobs in farms

<sup>90</sup> Jobs for a green recovery Levelling up through nature