

Consultation Questions

Confidentiality
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
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Demographic questions:

Name	Agriculture & Horticulture Development Board	
Are you responding as an individual or as an organisation?	Organisation	
Are you or your organisation based in Wales?	Yes	
	No, but I or my organisation operates in Wales	X
	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	
First half of postcode (4 digits)	CV3	

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

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?

In addition to financial support, easily accessed advice and guidance is vital to ensure adopted Actions are well implemented and effective. Economic incentives can influence farming activities but a range of drivers and 'push points' should be adopted, including social pressures, guidance and education and tools, to encourage measurable behaviour change among framers. Work undertaken by AHDB and others demonstrate that behaviour change is more easily achieved one step at a time, rather than an all or nothing approach.

There is no specific reference to Soil Health in the Sustainable Land Management Outcomes. Although good soil health may be implied in some of the Outcomes, such as 'Maintaining and Enhancing the Resilience of Ecosystems', given the pivotal importance soil plays in crop production and environmental protection, more support should be included. As an example, the Soil Nutrient Health Scheme <https://www.daera-ni.gov.uk/news/daera-opens-latest-phase-ps37million-soil-scheme-farmers> introduced in Northern Ireland seeks to provide farmers with important information on soil nutrient levels, for each field on their farm. Farmers will also receive a baseline estimate of the amount of carbon stored in their soils, hedgerows and trees.

AHDB is encouraged to see that support will be available to help farmers focus on their poorer KPIs. There is an opportunity to build a valuable database of farm KPIs, from actual farm data, rather than relying on averages and estimates, to enable and help inform further support, guidance and future policy development. Recognising that this data has a value, participants should be rewarded in the payment structure for providing this data.

Farmers may need support to set up recording systems if they don't have them currently. For example, mechanisms for allocating inputs between enterprises (such as fuel use on mixed farms) are not widely adopted. One to One support will almost certainly be needed in circumstances where completing a Carbon Audit is new to a farm business. Although it is important to encourage a culture of Measure, Report, Verify (MRV) to affect measurable change and progress towards the aims of the scheme, the risk of duplicated effort is high. Many farms will be submitting data to meet Farm Assurance and/or supply chain obligations and additional data submission could be wasteful and inefficient. Links to existing data sources should be considered

There is an opportunity to explore wider opportunities for on farm sequestration such as agroforestry, silviculture and silvoarable alley cropping systems. The AHDB welcomes the Welsh Government's Written Statement of 27th February, committing to an evidence-based review of any further and alternative proposals to achieve carbon sequestration within the Sustainable Farming Scheme.

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 our farm for biodiversity.

a) What are your views on these requirements?

b) What support might you need to achieve them?

The requirement to provide 10% woodland and 10% biodiversity may result in some of the most productive farmland being removed from agricultural production. Food sourcing and security are an important consideration. The UN Sustainable Development Goal (SDG) 2 – Zero Hunger has been published: [FAO COP 28 – Roadmap](#). This has several milestone targets for countries to adopt in order to achieve zero human hunger while limiting global temperature rise to 1.5°C. The FAO Report <https://ahdb.org.uk/news/un-gives-pathways-towards-lower-livestock-emissions> highlights that livestock and crop productivity need to grow globally by 1.7% and 1.5% respectively per year to 2050.

If these requirements were regional or even national, the most appropriate locations could be identified. A trading system could be developed to ensure overall targets were met.

These requirements should be for the sector not each individual farmer – like Net Zero Carbon aims, i.e. this is a UK target, not even a sectoral one, and most definitely not a farm specific target.

Additional support, financial and advisory, should be made available to farmers who wish to pursue agroforestry or silvopasture techniques.

The proposed annual updating of plantable and woodland areas could result in minor, impracticable area adjustments on a frequent basis.

The resultant negative effect on land values resulting from increased woodland area could affect the viability of farms with secured borrowings.

Farms which are required to provide additional areas of trees and/or habitat will suffer a reduced gross output. In these scenarios, overhead costs often remain unchanged while enterprise margin is reduced and increased complexity in farm practices is experienced, resulting in the farm business being less efficient with a reduced ability to benefit from economies of scale. This in turn puts Welsh farming at a competitive disadvantage to, for example, the rest of the UK. Lamb exports will be reduced, and more beef will be imported with the resultant effect on the national economy.

With Agricultural output contributing significantly to the county's GDP, a reduction in output volume will not only have a negative impact on the quantity of food produced but the opportunity to add value to food through processing and the wider supply chain, including exports.

With a significant proportion of biodiversity present below ground, it is important to recognise this in the support structure.

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?

All UAs may not be suited to all farm types. It could be more appropriate to move some of the UAs to the OA or CA section of the scheme. Allowing farms to select more appropriate actions for their farming system and landscape could improve uptake.

The level of support available within the scheme, both for the Universal Actions (UAs) and the Optional Actions (OAs) and Collaborative Actions (CAs), is not detailed in the Consultation. This makes it impossible to assess the benefit to farming businesses, the likely uptake and any additional support that may be required for successful outcomes. Agreeing and publicising the level of support is vital to create the desired balance between agricultural production, maintaining a vibrant, working, rural community and environmental protection. A clear understanding of the range and scope of the OAs and CAs is essential before farmers are asked to join the scheme and commit to the UAs.

The AHDB recognises that many of the UAs such as benchmarking, CPD and soil health planning represent best practice and would therefore have beneficial effects on farm business performance. Other environmental best practice activities such as IPM, cover cropping and enhanced biodiversity could also have beneficial impacts on farm sustainability and efficiency.

If the payment rates are based on the cost of implementation and the income foregone, farmers entering the scheme will be no better off than if they had not, i.e. there is no incentive to take part. Additional considerations must be incorporated into payments such as societal benefits and incentives to move beyond the status quo. In some circumstances the cover crop requirement may be less appropriate. Arable rotations involving annual cropping often include a period greater than 6 weeks between crops as part of an IMP approach to weed and pest control. Establishing a short-term cover crop during this period could have unintended consequences.

Habitat Management – Although scheme members may be mandated to implement management techniques and be monitored against them, the outcomes may be subject to local and seasonal conditions and are not guaranteed.

Historic Environment - Many traditional farm buildings are not suitable for modern farming practices and often unsuitable for housing livestock. In many cases using traditional buildings for modern farming is detrimental to the integrity of those buildings. To improve the sustainability of the farming business and to optimise animal health and welfare, it is often necessary to replace older buildings with modern, more suitable structures. This should be accommodated within the scheme, subject to existing planning requirements, along with support for maintenance of traditional structures as significant costs may be involved.

UA10 – Ponds and Scrapes. The proposal is not proportionate to farm size. For example, a 30Ha. farm would need to maintain a minimum of 0.1Ha., equivalent to 0.3% of the farm area, while a 1000Ha. farm is only required to maintain 0.2Ha., equivalent to 0.02% of the holding. Smaller farms are already disadvantaged by the lack of opportunity in gaining economies of scale and efficiencies of production.

UA17 – Good Farm Biosecurity. There is both lack of clarity and ambiguity in this proposed Action. The definition of a Wash Station and Farm Entrance/Exit needs clarification. Consideration needs to be given to practicalities of providing disinfection stations at all farm entrances. Farm activities often necessitate the use of public roads on a frequent basis posing little risk to biosecurity when leaving and re-entering the holding. Public access is often a feature of farmland and in some cases

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?

Data submitted should be relevant to the scheme. Other than to demonstrate individual compliance as part of the scheme, all data should be aggregated and anonymised.

Data can be very informative to help develop future policy and support, identify trends and to inform modelling of future trends and predictions. Initial data can provide information to establish baselines for agricultural reporting with subsequent entries allowing progress monitoring and reporting on a national basis. Soil analysis results would be especially beneficial in this regard, including soil organic matter, although the limitations of the suggested sampling methodology should be recognised.

Building a factual database of actual data rather than averages or estimates will enable more accurate forecasting, modelling and policy development. However, farmers can be reluctant to share data with government for legislative and duplication of effort reasons.

However, the AHDB has concerns about data ownership, security of farm business data and the potential for duplication of effort. Many farms will be operating an established KPI monitoring system for farm assurance, contractual agreements or farm management reasons. An additional data recording and carbon auditing requirement would be a duplication of effort.

The AHDB has resources to aid KPI monitoring which are readily accessible, but our experience with the Herd Advance Project suggests that care should be exercised with data sourced from on-farm entry. The robustness of the data could be questioned. Improved farmer familiarity with a system and increased diligence in data capture and entry has been seen to lead to apparent trends in outcomes when none have existed. Better on farm data often leads to more negative outcomes initially. This could lead to a false picture being observed and possibly impact farming's public image.

All KPIs should align with established industry databases and methodologies.

Consideration should be given to the option of using a third-party data controller to establish a Trusted Broker.

UA1 mentions Net Margins to be used for Benchmarking, suggesting financial data should be submitted. This is inappropriate and unnecessary for scheme monitoring and is often a substantial stumbling block for farmers in terms of willingness to share.

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?

If the full scheme is not available in the early years and other support payments (BPS) are made unavailable to scheme members, as proposed, the Stability Payment will provide essential support during the Transition Period.

The Stability Payment may also provide an added incentive to increase uptake of the scheme during the early years. However, once farms have opted for the scheme and foregone the ability to claim BPS payments, the Stability Payment needs to be available to the farm during the whole Transition Period even if the farm opts out of the SFS.

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?

Full management control for 10 months should be sufficient to allow for the implementation of the UAs and subsequent benefits to be realised beyond the 10-month timeframe. However, without sight of the proposed OAs and CAs it is impossible to form an opinion about the suitability of the 10-month rule.

This is an important inclusion which will allow land in short term occupation agreements to be included in the scheme. Consideration must be made for farms with rights to Common Land.

However, creating arbitrary periods for qualification could have unintended consequences, shorter period agreements (<10 months) may become popular to avoid the complexities of landlord/tenant responsibilities.

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?

Calculators vary in their approach and reporting methodologies, so consistency is important to allow aggregation, benchmarking and national reporting. The selected calculator must be IPCC approved, meet PAS 2050 and ISO 14064 requirements.

An environment where Measure, Report, Verify (MRV) is adopted will enable progress to be measured and policies adapted.

It is vital that the carbon auditing process recognises the environmental benefits provided by farming businesses. Carbon sequestration and storage are important features of most farming enterprises, and the Net Carbon position needs to be recognised rather than just emissions. Similarly, farming businesses which have diversified into renewable energy, alternative fuels and other carbon efficient practices should have these activities recognised in their carbon audit and in national reporting mechanisms.

Support and guidance on a 1:to:1 basis will be needed to help farmers complete the chosen calculator to ensure accurate and consistent data entry and the calculator must be freely available.

There is a danger of duplication of effort, especially among dairy producers. Data required from farm businesses should be entered once into a central database which is accessible for multiple needs, reducing the administrative burden and introducing a mechanism to reward the farmer for the information supplied. As an example, dairy producers are required to conduct audits using a variety of tools dictated by their processor and/or supply chain, duplicating effort required by others such as regulators and Assurance schemes..

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?

A proportionate approach is fair and represents efficient use of resources.

The introduction of multiple environmental requirements can have a detrimental effect on farm businesses. Compliance often requires major capital investment which farms may not be able to access, compromising their viability. Any regulatory approach or voluntary environmental option must encourage long-term business planning for farms. Timescales are important to allow time for adjustments to farm practices and individual behaviour change. Short-term requirements for capital investment encourages a move towards single enterprise farming, losing the benefits that mixed farming brings to communities and landscapes.

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

The appeals process needs to be accessible, reasonable, fair and transparent.

Efficient handling of appeals, arriving at swift outcomes is essential.

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**

Baseline payments should, as a bare minimum, cover all costs of implementation, ongoing management and income foregone but should be uplifted to reflect social and environmental benefits where these can be quantified.

Capping all UA payments would unfairly penalise larger businesses that would have increased costs in proportion to their farmed area. The exceptions could be Benchmarking and CPD which would not be directly linked to farm size. However, larger businesses often have more enterprises so benchmarking activities could take longer.

The detailed calculations which determine the level of per hectare payments should consider all costs associated with the action, including ongoing management and capital expenditure where necessary.

The Stability Payment is essential if participants are denied access to the BPS. However, this should be available, for the whole Transition Period, to scheme entrants who decide not to renew their participation in the SFS during the Transition Period.

As the Baseline payment is proposed to be based on income foregone, we have concerns over how those payments will be calculated and how changes in market prices for agricultural produce will be taken into account.

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?

The Consultation suggests that access to the OAs and the CAs is dependent on membership of the scheme and compliance with the UAs. We believe that some of the land linked UAs would fit better in the OA section allowing farmers to adopt actions which best suit their farm type, system etc.

However, AHDB believes that allowing access to the OAs and the CAs without the requirement to complete all the UAs could improve take-up and result in more support for the OAs and CAs resulting in wider engagement and increased outcomes. A menu approach could allow farmers access to a wide range of Actions more suited to their farming system and their landscape.

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

Any actions which enable and promote uptake of environmentally beneficial measures would be worthy of support within the scheme, but those activities which require capital investment and system change on farm need capital investment support. Capital cost is often a major barrier to adoption of new techniques and technologies. As an example, ammonia mitigation practices often require substantial capital investment.

Specific measures which result in improved nutrient management and reduced diffuse pollution could be considered to help address air and water quality, promoting the concept of circular farming.

New technologies which seek to improve livestock manure management would benefit from funding enabling them to be developed and provide evidence of their effectiveness. An extensive programme of grant aid could result in a variety of new technologies becoming available to farmers which help them reduce environmental impacts. These developments often come from businesses which are not land managers so financial support should be available in these circumstances.

It is essential to support initiatives which identify baselines for environmental metrics such as carbon sequestration and storage, above and below ground, from which to identify areas for focus and to monitor progress.

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.**

- a) Minimising the impact of BPS reductions is dependent on the successful roll-out and uptake of the SFS, including the Stability Payment. It is therefore vital to provide a SFS which is attractive to the majority of farmers.
- b) There should be provision within the SFS for new entrants. The proposed Stability Payment does not recognise new entrants.
- c) The effect of capping payments on the structure of Welsh farms must be examined carefully to avoid unintended consequences. Capping all UA payments could unfairly penalise some farming businesses but enable budget to be targeted at smaller, family farms.
- d) It is essential to continue with the transfer of entitlements associated with inheritance and land transfers.

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.

The AHDB supports the concept of simplified regulation which makes it easier for farmers and land managers to understand and comply and enables efficient and minimal administration, monitoring and reporting.

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.

The requirements of the scheme and the payment levels must be based on sound, robust evidence and data. Payment levels should be set not only to cover the cost of implementation and income foregone, but also a consideration of the public goods provided by the Actions. Without this additional element there is no incentive for farmers to engage.

Evidence is therefore required to help quantify the benefits to society and the environment of improved habitats, increased wildlife, visual amenity, cleaner air and water and increased sequestered and stored carbon.

It is therefore essential to support initiatives which identify baselines for environmental metrics such as carbon sequestration and storage, above and below ground, from which to identify areas for focus and to monitor progress.

Monitoring & Evaluation

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

It is important to establish a strong database of baseline data from which to monitor, remeasure and report progress.

Established metrics for soil health, water quality and biodiversity can be incorporated as well as creating new databases for carbon audits and sequestration analysis.

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?

The scheme documentation should be available in both languages enabling those who engage with the scheme to use their preferred language.

As a significantly higher proportion of those involved in the farming sector are Welsh speaking compared to any other industry, the forecast loss of jobs from the sector as a result of the SFS would disproportionately affect the Welsh speaking population of Wales.

As the Welsh language tends to be more prevalent within smaller, family farms, consideration should be given to enhancing the support available to these farms.

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?**

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

We believe that providing farmers with their own data encourages behaviour change.

All the UAs may not be appropriate or suitable for all farming businesses and a more suitable option could be a 'menu' approach allowing farmers to select Actions most suited to their landscape and business activities. Targets should be for the sector not each individual farmer – like Net Zero Carbon i.e. this is an UK target, not even a sectoral one, and most definitely not a farm specific target.

Some of the land linked UAs should be moved to the OAs or CAs to encourage take up of the scheme.

Although payments will be unaffected by not passing UA2 (CPD), and multiple attempts are available, signposting to relevant resources, such as AHDB's Knowledge Library, would be beneficial to aid farmers' understanding and build knowledge. Resources already exist to facilitate CPD and Knowledge Exchange and should be utilised before creating new resources.

To increase the level of uptake, farmers should receive public and inventorial recognition for the multiple public goods they deliver to society, such as biodiversity, wildlife habitats, carbon sequestration and storage, flood alleviation as well as food production.

The UAs do not recognise the beneficial farm practices which mitigate carbon emissions and reduce a farm business's carbon footprint. Neither does it incentivise change to improve the Net Carbon position on farm in a way that best fits that farm.