



---

1st July 2022

## **Gweithwyr y Tir/ Landworkers' Alliance Cymru Feedback Form**

# **Sustainable Farming Scheme: outline proposals for 2025**

*(Llywodraeth Cymru/Welsh Government)*

**Please provide your views on Chapter 2: Introduction**

**Answer:**

### **Sustainable Land Management Objectives**

We agree with the SLM Objectives. However, we would like to see more clarity on what is meant by 'produce food in a sustainable manner'. We would like to see specific reference to agroecological farming, as set out in the Declaration of the International Forum for Agroecology, and organic farming principles.

We welcome the reference to land sharing, rather than land sparing. Sustainable Land Management Outcomes

We agree with the outcomes stated.

However, there is no reference to ensuring all sections of society have access to high quality, sustainably produced food, which surely is a primary function of farming and growing systems. We believe that this should be added. We highlight the importance of fruit and vegetables on a healthy sustainable diet on the one hand; and **on the other the** strategic importance the Welsh Government has placed in increasing horticultural production, highlighted in this document.

### **Scheme Design**

We agree with most of the principles set out in section 2.3, however:

- 2.3.2 states that "food production is vital to our nation. We, of course, agree but highlight

horticulture & arable crops are vastly underrepresented in Wales. We currently produce just a ¼ of a portion of vegetables in Wales per head of population. Overall the UK imports around 47% of its vegetables and 83% of its fruit, of which a significant amount comes from countries vulnerable to climate change<sup>5</sup>. However, we could produce enough in Wales for 5 a day for everyone in Wales on just 2% of Welsh land<sup>1</sup>.

- We are concerned that the SFS would not support the resurgence in fruit & veg production needed if payment is simply area based. Current area based payments under the Common Agricultural Policy (CAP) may have functioned to support large livestock farms but they make little difference to horticulture, which has declined significantly, as have smaller livestock farms. The profit and costs of horticulture are on average significantly higher per hectare than livestock: it is possible to run a successful horticulture business on less than a hectare, but this also incurs high start-up costs. For farms such as these, a likely area-based payment would be insignificant and therefore alternatives are needed if we are to see this fruit & vegetable deficit addressed. We provide more information on this in our response to Chapter 4.

- Wales is also far from self-sufficient in grain for human consumption. Currently, the vast majority of Welsh arable production is for animal feed. This was not always the case and enterprising farms, mills and bakeries are already leading the way producing nutrient dense bread and bringing back sustainable local grain economies. For example, Y Felin Ganol near Aberystwyth grinds wheat from a neighbouring farm and sells direct to consumers as well as several small Welsh bakeries. More about this work and some of those involved can be found here.

- Principle 2.3.5 says that 'All farmers should be able to access the Scheme'. We have serious concerns about the requirement for more than 3 Ha and argue for alternative criteria for horticultural producers. We refer you to our comments on 'Eligibility' for details.

- We are concerned that neither, the objectives, the outcomes nor the scheme design have any references to the food system overall; community prosperity or access to healthy food. The Sustainable Farming Scheme deals principally with food production and land management; but to achieve true sustainability, it needs to either also include objectives that refer to planning policy; local market development; food access, consumption and nutritional health; and overseas impact; or it should reference other legislation that covers these issues.

### **Please provide your views on Chapter 3: The Sustainable Farming Scheme Structure**

**Answer:**

#### **NMS**

Whilst we welcome the convenience and transparency that bringing all agricultural legislation into one place will achieve; the current proposal is insufficiently ambitious. The NMS need to go beyond the status quo and drive up standards up at the pace the WG's Biodiversity and Climate emergency declarations imply are necessary. We would like to see a commitment to increasing standards incrementally, and SFS resources becoming progressively more focused on 'higher' level actions, that promote agroecological, organic and regenerative farming systems.

## **SFS Structure**

We agree with the broad structure, but have comments on detail, which we will articulate in our response to the next question

## **Please provide your views on Chapter 4: The Sustainable Farming Scheme Framework**

### **Answer:**

We agree with the intended characteristics of the scheme:

- Resilient and productive
- Reduce, reuse and recycle inputs, nutrients and waste.
- Reduce on farm emissions and maximise carbon sequestration.
- Protect and enhance the farm ecosystem.
- Benefit people, animals and place.

### **Farming Connect**

We agree that Farming Connect is a very well-placed organisation to manage the support. However, horticulture is not as well served by FC as livestock; Tyfu Cymru; however, does provide an excellent service in this regard and should be included in the advisory scheme alongside FC.

Initial entry process should be EOI and be sufficiently simple as to not require support in most cases. FC & Tyfu Cymru support should primarily be focussed on development of Sustainability Plan and improving knowledge needed for actual implementation of measures.

FC will need to significantly increase knowledge and skills within advisor network, particularly in relation to organic farming.

We welcome the proposal to include practical on farm training, peer to peer training and knowledge transfer through Demonstration Network Farms. Many of our members would be good candidates for demonstration farms, please let us know how they can join.

We also welcome proposals for a Research, Development and Innovation Programme to work with academics. The European Innovation Partnership approach has proved highly effective, and we argue for its continuation.

### **Universal actions**

Overall, we support all proposed universal actions being standard requirements.

There is some uncertainty over whether orchards would be included in tree cover; we strongly support their inclusion.

There should be a minimum requirement to maintain Soil Organic Matter, for example increase in biological sources of fertility such as green manures, animal manures and composts.

Clarity is needed on what counts as bare land – for example, whether land covered by a mulch, including with ‘mypex’ should be considered bare.

We support the reporting requirements but are concerned that there is nothing in the universal actions requiring improvements in soil structure, organic matter and biological content or any reduction in pesticide, antibiotic or nitrogen use. Given the damage that overuse of these cause, it is not clear why WG is still planning to give out public money to farms that overuse them.

We are concerned that as it currently stands, the Universal Actions payment could allow highly unsustainable farms, that are not transitioning to more sustainable farming, to continue to be subsidised. For example, intensive poultry, dairy and pig units are currently causing substantial damage to Wales’ rivers, creating dead zones, destroying biodiversity, polluting downstream farms and reducing public amenity. Despite these farms failing on the common sense understanding of all the SFS objectives, it appears that they could meet the universal actions under the Sustainable Farming Scheme; without changing their fundamentally unsustainable business model or their impact on Welsh rivers. A farm with sufficient land could ensure 10% tree cover; 10% for nature; winter soil cover and meet all the testing and reporting requirements; thus, qualifying them for the SFS Payments, but still emit substantial levels of nitrogen; phosphorus and pesticide pollution into our waterways. Of course, if the NMS were sufficiently strengthened as we believe they should be, such pollution would not be permitted, regardless of subsidy.

### **Reporting requirements**

We support inclusion of professional lab soil tests, both to improve farmer knowledge and WG knowledge of baseline.

Reporting should also be required on stocking rates.

Self-assessment makes sense for the business KPIs.

### **Optional actions**

We support the proposed optional actions. However, we believe peatland restoration should be included in the Universal rather than optional category (although obviously only where degraded peatland exists).

Rotational and mob grazing approaches should be included, in recognition of the benefits increased efficiency and carbon sequestration they deliver.

We believe there should be a specific option with respect to organic farming. While many of the individual components of organic are options within the proposals, the scheme fails to acknowledge and reward the systems approach that is at the heart of organic farming and growing: non-organic growers can pick and choose which practices they implement.

Certified organic producers have to implement all of the practices all of the time, and this brings additional benefits – the system is more than the sum of its parts. The benefits of this systems approach has been long recognised by Welsh Government and rewarded through various support schemes dating back to 1999, and most recently through the organic conversion scheme earlier this year.

Furthermore, the monitoring and reporting requirements already required by organic certification mean that administration time and other resources can be saved by taking certification as evidence of SFS compliance.

### **Diversification**

We strongly support all diversification proposals and particularly welcome the focus on diversification within the agricultural business itself, rather than encouraging farmers to develop holiday lets etc.

We support the inclusion of a specific incentive to support growing of feed to displace imports. This should be focussed on protein crops such as field peas and beans, which can displace imported soya, which is particularly destructive.

### **Horticulture**

We welcome the inclusion of a specific optional item on horticulture enterprises; we believe that there is significant value in adding a new horticulture enterprise to a larger livestock farm. They can provide significant employment opportunities and/or opportunities for growers to establish new businesses via share farming arrangements. We refer you to the work of Our Food 1200 for good information about how this can work.

It is important that the payment for horticulture enterprises, whether part of larger farm businesses or horticulture only businesses; are based on a proper understanding of the economics of horticulture. In particular, the fact that on a per hectare basis horticulture typically has much higher start-up costs, ongoing costs, employment rates, and income per hectare than livestock farming, meaning it does not make sense to pay them area-based payments. For example, a 3.2-hectare (9 acre) vegetable farm running a Community Supported Agriculture scheme would have start-up costs of £115k - £230k; a potential turnover of over £100k; employ 3.2 FTE and supply weekly vegetables to 150 households. Under the current BPS such a farm would receive just £300 if they qualified, making the support irrelevant to sustaining the vegetable farmers through difficult periods or incentivizing anyone considering entering the sector.

Alternative ways to support horticulture, which would be far more effective include:

1. A set annual sum per horticulture holding.
2. Capital grants.
3. Support for employment, particularly of trainees and apprentices, as this will help build the future work force.
4. Shifting some of the agricultural budget into public procurement directed at sustainably produced fruit & veg from Welsh farms.

5. A dedicated public goods horticulture public goods scheme, which rewards farmers for benefits that are produced in as part of the food growing process.

In relation to 5, we are working with other organisations on a proposal for a dedicated public goods scheme for horticulture. This would reward specific environmental and social benefits that can be achieved using specific growing techniques, farm management and social business models. The metric for payment would depend on the benefit being achieved, but crucially would be designed with the specific economics of horticulture businesses in mind. We envisage something similar to Growing the Goods Test and trials that Defra are currently working on, an LWA colleagues in England have been involved in designing; but amended to suit the Welsh context. We hope to discuss this directly with Welsh Government soon.

### **Collaborative**

We welcome inclusion of support for local supply chains. We believe that machinery rings are important mechanism to bring about increased co-operation between producers and should be included. Specifically, funding should be made available to increase the relevance for small producers in terms of the range of equipment both in terms of the type (e.g, more horticultural equipment) and the size/ scale of the machines

We believe that Local Food Partnerships, as exemplified by those in the Sustainable Food Places Network, show an excellent example of place-based collaboration between farmers/growers, processors, retailers, consumers and food access organisations.

We welcome the inclusion of rare and native breeding for livestock. We would add seed heritage, such as the Heritage seed library, Llafur Ni and the Wales Seed hub

Funding for collaborative farming should still include requirements for minimum sustainability levels for all farmers, above NMS.

### **Please provide your views on Chapter 5: The Sustainable Farming Scheme Process**

**Answer:**

#### **Eligibility**

We oppose the requirement that farmers and growers need to have a minimum of 3 ha of land to be eligible. This is at odds with one of the guiding principles of the scheme namely that all farmers should be able to access the Scheme (section 2.3.5). We understand that the purpose of this minimum threshold is to exclude claimants for whom farming and growing does not form a significant part of their livelihoods. However, many of our horticulture members run substantial businesses on small areas; a typical market garden can turnover around £80 – £100K, and employ up to 2 FTE plus casual labour on less than 3 Ha of land<sup>2</sup>. We therefore argue that different eligibility criteria need to be applied to horticultural businesses. Welsh Government support schemes (including Farming Connect and the most recently Organic Conversion Scheme) apply additional criteria based on labour requirement (550 hours/ year) and we argue this should also be applied to the SFS. Additional criteria could include evidence of marketing, or turnover as was the case for the recent horticulture grants.

The requirement for a five-year tenancy agreement will exclude farmers of have land on short term (less than 5 years) agreements. Welsh Government representatives have

indicated that there could be flexibility on this if a solution can be found that provides both the certainty of continued management, whilst being fair to tenant farmers.

## **Payment**

We do not believe that payments should be area based except when the cost of the action and benefit achieved are related to area. The Basic Payment Scheme has shown how area-based payments increase land prices, making it impossible for new entrants, particularly local young people, to acquire land. They also fail to take account of the different costs and revenue of different agriculture sectors.

If the payment for Universal actions is area based as planned, there should be an upper limit on what any one holding can claim for universal actions, or both equity and efficiency reasons.

Retrospective payment will exclude those without existing funds and capital. This particularly affects tenant farmers who cannot borrow against property. We appreciate that WG will need assurance of delivery; should work with Welsh Development Bank to facilitate loans connected to SFS to enable those without capital to participate.

## **Inspections**

It is important that the inspection regime is robust, and includes unannounced visits.

Inspections should be risk based. For example, organically certified producer should be considered lower risk as they are already subject to a rigorous, external inspection system. We suggest that the development of Participatory Guarantee Systems could play a similar role for producers who are not organically certified and the Welsh Government should support this.

Penalties should be proportionate, but set above the cost of compliance so that non compliance is not simply considered a business expense.

Distinctions need to be made between clear attempts to comply but inability due to circumstances outside of control versus deliberate non-compliance.

## **Please provide your views on Chapter 6: The Sustainable Farming Scheme: Transition Plan**

### **Answer:**

We agree with the 'Prepare and Pilot' phase, and are actively engaged in the co design process.

It is important to support farmers in testing out new ways of working including radical changes.

We will work actively with our membership in Wales to be actively involved so the needs of small scale agroecological farmers are represented

We are concerned that the pace of change is not commiserate with the urgency implied by

the Welsh Government's Declaration of a Climate change and biodiversity emergencies, and the scale of the problems we face. While we acknowledge that the scheme must be piloted and implemented pushing back the transition period to 2029 appears to us to be very un-ambitious at a time when precise the opposite is required. Our members, who as we highlighted throughout are ideally placed to deliver on the key aims of the scheme, were severely disadvantaged under CAP, will effectively be waiting even longer for support they need and deserve.