

## Sustainable Farming and Our Land: Focus and Priorities of Wales' Sustainable Land Management Scheme

March 2020

### Introduction

Wales is one of the most nature depleted nations in the world. The 2019 State of Nature report highlighted that nature remains under increasing pressure across Wales. One in six species is at risk of disappearing from Wales,<sup>1</sup> and none of our ecosystems have all the attributes required to be resilient.<sup>2</sup> The report identified that intensive agriculture has been, and remains, the biggest driver of biodiversity decline across the UK. Twentieth century forestry policy has also had an impact on nature's decline<sup>3</sup> including damage to half of all ancient woodlands and an estimated 18,092 ha of woodlands established on deep peats in Wales.<sup>4</sup>

Climate change is already becoming one of the greatest challenges to the continuity of farming and forestry systems, to the functioning and resilience of remaining habitats and to our health and wellbeing. The Committee on Climate Change<sup>5</sup> has highlighted the urgency of the challenge: we have less than 12 years to start taking meaningful measures to keep warming to 1.5C, such as making significant changes in land management, including a 6% increase in forest cover.

Farming and forestry make up approximately 90% of Wales and have a significant impact on the state of nature, climate change, our natural and cultural resources, and the opportunities for outdoor recreation. Ongoing declines in nature and environmental quality, and the diminishing number of Welsh farms, indicate that current agricultural policies are failing to protect nature or maintain farming.<sup>6</sup> The current system can be summarised under three headings: inefficient, ineffective and inequitable.<sup>7</sup> Urgent and transformative change is needed to achieve the sustainable management of natural resources, to secure resilient ecosystems and the benefits they provide society.<sup>8</sup> Farm incomes must be viable, so that present and future generations can sustainably manage the land. Without people this cannot be achieved, and we recognise the cultural importance of farming

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<sup>1</sup> (2019), State of Nature. Report, including Welsh summary [available here](#)

<sup>2</sup> Natural Resources Wales (2016), State of Natural Resources Report (SoNaRR)

<sup>3</sup> Forest Ecology and Management (2018) *Reviewing the evidence base for the effects of woodland expansion on biodiversity and ecosystem services in the United Kingdom*

<sup>4</sup> <https://www.forestresearch.gov.uk/research/a-strategic-assessment-of-the-afforested-peat-resource-in-wales/>

<sup>5</sup> CCC 2020. Land use: Policies for a Net Zero UK.

<sup>6</sup> 830 farms have been lost since 2013 according to Welsh Government data

<sup>7</sup> Matthews, A. (2017). Why further reform? RISE Foundation, Brussels

<sup>8</sup> State of Nature 2019. State of Natural Resources Report 2016. Welsh Government (2019), Agriculture in Wales: <https://gov.wales/sites/default/files/publications/2019-06/agriculture-in-wales-evidence.pdf>

communities in rural Wales. The Welsh Government should consider the potential to increase investment from wider sources than just the public purse, and new contracts should enable this. The Welsh Government has committed to ensuring that there is no reduction in environmental standards as we leave the EU. It has identified sustainable food production, addressing biodiversity decline and climate change as essential in securing our future.<sup>9</sup> It recognises that building resilient ecological networks must be central to future land management policy.<sup>10</sup>

We endorse the proposed shift in agricultural policy towards a payments for public goods model, where environmental protection and restoration are at its core, and where cultural and recreational outcomes are valued. We agree with the Welsh Government's definition of public goods and the need to target measures to ensure nature's recovery. We do, however, have some suggestions regarding how landscape can be included in a sustainable land management scheme, which can be found in the final section.

We welcome the proposal for future support to be designed around the principle of sustainability, in accordance with the legislative framework established by the Well-being of Future Generations Act 2015 (WFGA) and the Environment Wales Act 2016 (EWA). We also welcome the decision to integrate the Economic Resilience and Public Goods Schemes into one Sustainable Farming Scheme (SFS).

It is in this context that we advocate that the overarching objective should be the Sustainable Management of Natural Resources (SMNR), and that a future scheme should:

- sit within Wales' current legislative framework and be an effective means of using public money to secure the objectives of Welsh Government's Natural Resources Policy and Nature Recovery Action Plan, via land management;<sup>11</sup>
- be a key mechanism to support the delivery of domestic and international environmental commitments, including commitments to tackle the biodiversity and climate crises;<sup>12</sup> and
- be based upon the principle of public money for public goods.

We support the strong focus on environmental public goods. This does not represent a choice between productivity and sustainability: it is an opportunity to maintain our capacity to produce food and other commodities by restoring the natural resources that farming and land management depend upon, which are currently degraded. We would like to see Welsh Government set a sustainable land management vision for all agriculture in Wales, not just those who choose to participate in the new public goods scheme. The vision must be ecologically restorative and follow sustainable farming practices such as agro-ecological principles.

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<sup>9</sup> [https://gov.wales/sites/default/files/consultations/2019-03/eu-exit-consultation-document\\_0.pdf](https://gov.wales/sites/default/files/consultations/2019-03/eu-exit-consultation-document_0.pdf)

<sup>10</sup> Written response to the Climate Change, Environment and Rural Affairs Committee Report: 'The Welsh Government's proposed Sustainable Farming Scheme: Restoring Biodiversity:

<sup>11</sup> Links should also be made with the delivery of NRW's Vital Nature and Local Nature Partnerships

<sup>12</sup> State of Nature 2019 highlights that 1 in 6 species is at risk of disappearing from Wales and the IPCC Special Report on Climate Change and Land (2019) concludes we have 12 years left to start tackling climate change effectively.

Future funding for land management must not be based on Barnett but be commensurate with the scale of our environmental land management needs, which for Wales is estimated to be at least £273 million per annum.<sup>13</sup>

### **Sustainable Farming and Land Management Delivery Model**

If Welsh Government is to deliver on the need for a step change for biodiversity and realise its ambition to offer all land managers an opportunity to make a difference through joining the new scheme, it must include

- a substantial and broadly accessible element to address widespread environmental issues and be inclusive of the “green infrastructure” of habitats on all farms. This can take a simple, tailorable, action-based package approach;
- a targeted element to support more complex interventions, such as the restoration and recovery of threatened habitats and species and to maximise the land’s carbon storage potential, by driving sympathetic grassland management and encourage semi-natural grassland, scrubland and woodland, in harmony with nature and wildlife. These will likely be landscape-scale projects, for which there is already proof of concept in Wales; and
- actions and results-based approaches in combination, to direct funding at interventions for which there is evidence of beneficial outcomes.

We do not see results-based and actions-based approaches as being mutually exclusive, and support the principle of directing funding at interventions for which there is evidence of beneficial outcomes. The two approaches could be combined to great effect, helping to drive evidence-based land management changes, to deliver environmental objectives and provide the right balance of flexibility and certainty for farmers and land managers. Over time the balance could shift to an increased emphasis on results-based measures as evidence improves on direct relationships between actions and outcomes.

The result-based approach is a developing discipline: a future programme of pilots and trials will be required to provide a means of ironing out some of the issues associated with results-based payments, including identifying measurable indicators for a broad range of environmental and other objectives (e.g. species, habitats, recreational access) and looking for ways to combine results and actions effectively.

### **An advisory service to support sustainable farming and land management**

Government should view investment in advice as a key means of achieving domestic and international environmental policies and commitments, and ensure value for money. The Environmental Audit Committee Inquiry into the Future of the Natural Environment after the EU Referendum stated that *“it is widely recognised that the potential benefits of agri-environment schemes have been reduced by minimal training of farmers and advice on scheme*

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<sup>13</sup> Matt Rayment 2019 *Paying for public goods from land management: How much will it cost and how might we pay?*

*implementation*"<sup>14</sup><sup>15</sup>. In contrast, the effectiveness of land management actions is enhanced where they are backed by provision of good quality advice to land managers, and an increase in the provision of advice is needed for environmental land management priorities to be met. Various studies and evaluations have found that provision of good quality and targeted advice helps to enhance the outcomes of environmental land management schemes<sup>16</sup>

The provision of advice should be of the highest quality from competent, trusted bodies and will be essential at all stages if environmental delivery is to be integrated effectively into a farm or land management business. To ensure advice is good quality, Government should support an accreditation scheme for external advisors with Continued Professional Development.

Advice is something farmers could pay for; however, we believe Government has a stake in the provision of advice, through the advisory capacity of statutory authorities and the provision of funding to enable farmers to access advice from experts, including from NGOs.

The provision of advice should not be restricted to a one to one model. A range of options should be available including one to many training, clearly written guidance, online tools and peer to peer support. Where possible, advice should be provided locally or by advisers with good knowledge and understanding of the local natural environment, and farming and land management operations e.g. Farming and Wildlife Advisory Group Cymru (FWAG).

It is vital that each farm starts with a Farm Sustainability Plan that makes a real difference to nature's recovery. The government needs to recognise the importance of specialist advice, and that species and habitat experts will be required. The Plan must be developed by skilled advisors with significant ecological and sustainable farming knowledge, in partnership with the farmer or land manager. The Plan should not aim to maximise the productivity of a land holding at the expense of ecological or environmental outcomes.

### **An evidence based approach to sustainable farming and land management**

We do not believe the agri-environment or woodland creation grant models are broken. However, to be successful, a future scheme must avoid repeating past mistakes, such as poor targeting, poor integration, and inadequate monitoring, and should incorporate the following criteria associated with success:

- Evidence based interventions at the appropriate scale to deliver objectives, which for many environmental objectives requires integrated action at a landscape scale;

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<sup>14</sup> <https://publications.parliament.uk/pa/cm201617/cmselect/cmenvaud/599/599.pdf>

<sup>15</sup> <http://data.parliament.uk/writtenevidence/committeeevidence.svc/evidencedocument/environmental-audit-committee/the-future-of-the-natural-environment-after-the-eu-referendum/written/37689.pdf>

<sup>16</sup> For example, Boatman N, Short C, Elliott J, Cao Y, Gaskell P, Hallam C, Laybourn R, Breyer J and Jones N (2015) Agreement scale monitoring of Environmental Stewardship 2013-4. Assessing the impact of advice and support on the environmental outcomes of HLS agreements.

<http://randd.defra.gov.uk/Default.aspx?Menu=Menu&Module=More&Location=None&ProjectID=19197&FromSearch=Y&Publisher=1&SearchText=LM0432&SortString=ProjectCode&SortOrder=Asc&Paging=10>

- Effective integration, covering agri-environment measures, agroecological practices such as Integrated Pest Management<sup>17</sup> and agroforestry, and woodland and forest habitat management<sup>18</sup>;
- Sufficient budget, advice and coordination to deliver at the required scale;
- Focus on defined and measurable outcomes with effective monitoring for all scheme objectives;
- Effective targeting – to ensure the right management interventions in the right places;
- Expert, trusted, independent advice; and
- Engaged and motivated farmers who then go on to deliver better environmental outcomes.

### **The regulatory framework**

Scheme payments should incentivise and reward farming, land management practices and activities that go above and beyond regulatory standards and requirements, seeking to apply the polluter pays and prevention principles.

With an ambition to make future schemes broadly accessible, the temptation is to set entrance thresholds little above compliance with regulatory standards or general ‘good land management practice’. However, to secure policy objectives and value for money, it’s important to ensure payments deliver meaningful benefits above the regulatory minimum. A broad and shallow approach will not achieve nature’s recovery and instead may be seen as replacing Basic Farm Payments.

Effective inspection and enforcement regimes are essential to ensure compliance with regulatory standards and statutory obligations. Intentional and/or repeated non-compliance with such standards and duties should result in substantial fines and penalties. Farmers and land managers in receipt of public payments who do not comply with regulatory standards or legal obligations should face reductions or the outright withdrawal of payments, proportionate to the risk and degree of damage arising from non-compliance.

England and Scotland have already introduced their own “general binding rules” (GBR) as part of their regulatory baseline and NRW support the introduction of GBRs<sup>19</sup>. It is crucial that Wales does the same, so that we have a common set of UK standards to ensure a level playing field.

### **Transition and funding**

We are facing significant, urgent environmental challenges, so the transition to the new scheme must begin immediately and with urgency. We recognise that a transition period will be needed to address systemic non-compliance, during which appropriate funding and financing should be made available to meet baseline good practice. Regulators should establish a ‘polluter responsibility’ to take this up.

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<sup>17</sup> Implementation of the principles of integrated pest management is obligatory under the Sustainable Use of Pesticide Directive

<sup>18</sup> For further information on woodland creation and its integration with a future sustainable land management scheme, see WEL’s [position paper on woodland creation](#)

<sup>19</sup> NRW’s recent Challenges and Choices consultation

Advice and training can play a crucial role in improving knowledge and understanding or and compliance with regulatory standards and legal obligations.

### **Industry and supply chain**

We support the view that the majority of the financial support should be directed at farmers and land managers. However, there is merit in targeting support to the wider industry and supply chain, provided it results in improved sustainability, and the sustainable management of natural resources, whilst also ensuring value for money.

### **Public goods and landscape**

The recent consultation acknowledged the important contribution that farming and land management make to the landscape of Wales. We believe landscape is a public good, but how this is addressed by the scheme is critical. The failure to appropriately consider landscape outcomes risks having three significant negative impacts, particularly in protected landscapes, such as our National Parks and AONBs:

1. The majority of the land within our National Parks and AONBs is privately owned and farmed, so the failure to consider landscape outcomes within the scheme risks undermining the National Parks' core purposes of conservation and enhancement.
2. If the new agricultural payments regime treats landscape as a by-product of other activities, without supporting co-ordinated landscape scale initiatives, it could allow uncoordinated, unplanned changes to take place, with potential long-term impacts on other ecosystem services, as well as undermining a key part of our cultural heritage, which is at the heart of the concept of designated landscapes.
3. In its treatment of landscape, the new payments regime must deliver best value for public money and should not become a proxy direct payment. Not all landscapes sufficiently address the climate emergency and biodiversity crisis.

The European Landscape Convention defines landscape as “an area, as perceived by people, whose character is the result of the action and interaction of natural and/or human factors.” Farming and forestry practices have one of the biggest impacts on our landscapes. WEL believes there is public benefit in having visually appealing landscapes that are rich in wildlife, culture and history.

Public subsidy should guide interventions that can be shown strategically to enhance the landscape in ways that are sensitive to local character as well as ecologically restorative, e.g. planting native trees and considering topology in woodland design, considering the links between historic buildings and wildlife (e.g. barn owls and bats), or choosing a natural solution to flood prevention. For the purpose of allocating public funds landscape might be best thought of as the sum of its parts (i.e. a combination of features and activities) to which payments would be linked. In this context, landscape character would help identify what constitutes appropriate (as well as inappropriate) interventions eligible for public payment.

Wales Environment Link (WEL) is a network of environmental, countryside and heritage Non-Governmental Organisations in Wales, most of whom have an all-Wales remit. WEL is a respected intermediary body connecting the government and the environmental NGO sector in Wales. Our vision is a healthy, sustainably managed environment and countryside with safeguarded heritage in which the people of Wales and future generations can prosper.

This paper represents the consensus view of a group of WEL members working in this specialist area. Members may also produce information individually in order to raise more detailed issues that are important to their particular organisation.



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