

WELSH GOVERNMENT INTEGRATED IMPACT ASSESSMENT

Title of proposal:	Agriculture (Wales) Bill
Official(s) completing the Integrated Impact Assessment (name(s) and name of team):	Land Management Reform Division
Department:	Climate Change and Rural Affairs Group
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Start Date:	

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SECTION 1. WHAT ACTION IS THE WELSH GOVERNMENT CONSIDERING AND WHY?

Bill Content

The Agriculture (Wales) Bill includes provisions relating to a number of different policy areas within agriculture. These are:

- Sustainable Land Management (SLM)
- Future support for agriculture and ancillary activities
- Monitoring and reporting of SLM
- Monitoring and reporting of future support
- Data collection and sharing
- Forestry
- Agricultural tenancies
- Snares and glue traps
- Marketing standards
- Carcass classification
- Intervention in Agricultural Markets

In some sections of the impact assessments, there will be no relevant impacts resulting from certain provisions; as such, there will not be content relating to every provision in every section of the impact assessment. Where the provision is not specified for a given section, it can be assumed that the section relates to SLM and future support, as this forms the largest aspect of the Bill.

Where no relevant impacts have been identified for a given provision, this is not explicitly stated unless doing so will provide additional information. If a provision is not mentioned, it can be assumed that no relevant impacts have been identified at this time. These impact assessments will be kept under review as subsequent proposals, such as the proposed Sustainable Farming Scheme (SFS), are developed.

The remainder of this section sets out details of the content relating to each provision within the Bill.

Sustainable Land Management

The Bill sets Sustainable Land Management (SLM) as the overarching principle for future agricultural policy, including regulation and support. SLM has been defined by the United Nations as:

“The use of land resources, including soils, water, animals and plants, for the production of goods to meet changing human needs, while simultaneously ensuring the long-term potential of these resources and the maintenance and enhancement of their environmental functions”.¹

¹ <https://www.fao.org/land-water/land/sustainable-land-management/en/>

The Bill sets four objectives for SLM:

1. Produce food and other goods in a sustainable manner.
2. Mitigate and adapt to climate change.
3. Maintain and enhance the resilience of ecosystems and the benefits they provide.
4. Conserve and enhance the countryside and cultural resources and promote public access to and engagement with them, and to sustain the Welsh language and promote and facilitate its use.

The Bill also states:

“For the purposes of the first objective, factors relevant to whether food and other goods are produced in a sustainable manner include, among other things, the resilience of agricultural businesses within the communities in which they operate and their contribution to the local economy.”

These objectives must be met in a way which:

- a. Meets present needs without compromising the ability of future generations to meet their own needs; and
- b. Contributes to the well-being goals in the Wellbeing of Future Generations (Wales) Act 2015.

The Bill places a duty on Ministers to ensure that future support for agriculture is provided in a way which they consider to best contribute to achieving the objectives of SLM.

To ensure that our support schemes are fit for purpose and are supporting the principles of SLM, every five years we will undertake an evaluation of the impact and effectiveness of the support being provided under the Power of Support. Welsh Ministers will publish (no less than every five years) an Impact Report providing an assessment of how each support scheme has supported the Power of Support purposes and/or the SLM objectives.

Powers to provide support

The Bill provides Ministers with the powers of support, including the ability to open schemes, for agriculture and sets purposes for support. We have also provided a short description of what this could mean in practice for farmers.

- (a) Encouraging the production of food in an environmentally sustainable manner
 - Providing for the sustainable production of food, in such a way that it supports environmentally sustainable agricultural practices/methods which use natural resources in a way and at a rate that maintains and enhances the resilience of ecosystems and the benefits they provide.
- (b) Reducing emissions of greenhouse gases
 - Farms reduce their greenhouse gas emissions through making efficient use of fuel and energy, minimising external inputs, and having productive livestock and crops.
- (c) Maximising carbon sequestration and storage
 - Creating new and enhancing existing carbon stocks on farms.

- (d) Maintaining and enhancing the resilience of ecosystems
 - Maintaining and enhancing the resilience of ecosystems delivering benefits for biodiversity, species, and habitats.
- (e) Conserving and enhancing landscapes and the historic environment
 - Conserve and enhance natural beauty, cultural heritage, and the historic environment.
- (f) Improving air quality
 - Air which has limited pollution (human made particles and harmful gases) including fine particulate matter, ammonia, and non-methane volatile organic compounds.
- (g) Improving water quality
 - The water environment (including inland water) is sustainably managed to support healthy communities, flourishing businesses, and biodiversity.
- (h) Maintaining and enhancing public access to and engagement with the countryside and the historic environment
 - People are more easily able to enjoy the countryside for health and wellbeing benefits.
- (i) Mitigating flood and drought risks
 - Farms prepare for periods of low or high rainfall, reducing the risks to the farm and communities from flooding, drought, and coastal erosion.
- (j) Achieving and promoting high standards of animal health and welfare
 - Animals are healthy, productive and have a good quality of life.
- (k) Maximising resource efficiency
 - Taking a circular approach by keeping resources and materials in use for as long as possible and avoiding waste.
- (l) Helping rural communities to thrive and strengthening links between agricultural businesses and their communities.
 - Contributing to thriving and diverse rural communities by strengthening the links between the sector's businesses and their local communities; supporting the economic resilience of agricultural businesses through farm diversification and strengthening farm businesses to support and contribute towards thriving rural (local) communities.
- (m) Improving the resilience of agricultural businesses.
 - Actions in support of keeping farmers on the land, through improving the resilience and future prosperity of agricultural (farm) businesses to support the sustainability of the Welsh agricultural sector and the production of food and other goods.
- (n) Sustaining the Welsh language and promoting and facilitating its use.
 - Sustain and promote the use of the Welsh Language across the sector, through actions which facilitate its use across all levels of competency; encourage new learners to engage with the Welsh language across the agricultural sector.
- (o) Encouraging agricultural businesses to adopt good energy management and encourage the generation of on-site renewable energy.
 - Support agricultural businesses to adopt and adapt to energy efficiency practices and

methods, through developing and actioning energy management plans and, where appropriate, take this a step further, to produce on-site renewable energy.

SLM Monitoring and reporting

The SLM monitoring and reporting provisions are designed to provide a comprehensive and timely review of actions taken under the SLM provisions, as well as linking with reporting on wider Welsh Government goals. The provisions require Welsh Ministers to report how the Bill is achieving against the four SLM objectives in intervals of five years or less, with the first report to be laid in 2025. In order to do this, Ministers are required to specify at least one indicator (which may be a proxy) against each objective and at least one target against each indicator. These need to be laid before the first report and can be revised at any time to meet changing priorities by laying updated indicators before the Senedd. The use of indicators and targets allows a focussed evaluation of the performance of SLM while acknowledging the long term and aspirational goals encapsulated in the SLM objectives.

Monitoring and reporting of future support

As part of the Bill, Welsh Ministers will have the powers to enable monitoring, reporting and evaluation of any support under the Power of Support (i.e. for any support scheme, and whether the support is financial and/or non-financial).

The Welsh Ministers will be required to prepare and publish an Annual Report, which will set out details of all financial and non-financial support provided under the Power of Support for the preceding 12 months. It will include information on the number of schemes and details of both financial and non-financial support against each scheme.

Data Collection and Sharing

The Bill provides Ministers with the power to require or regulate for the collection and monitoring of data for relevant activities connected to agriculture and ancillary activities.

Forestry

The Bill amends the Forestry Act 1967 to allow the Welsh Ministers to add conditions to felling licenses, and to allow felling licenses to be amended, suspended or revoked after licenses have been granted.

These powers are being sought to prevent felling that would contradict other environmental legislation. The effect of this is primarily to safeguard wildlife and provide protection from environmental damage, although it would also enable felling licences to be amended for other reasons such as a change in owner objectives. It also enables such “environmental” conditions to be enforceable under the Forestry Act; helps the Forestry Act align with other environmental legislation such as the Habitat Regulations 2017 and enables Natural Resources Wales (NRW) to meet its SMNR (Sustainable Management of Natural Resources) and Section 6 duty under the same Act.

Tenancies

Many agricultural leases include standard landlord restrictive clauses that prevent the tenant from undertaking activities which could change the landlord's fixed equipment or land use on the holding without the tenant first gaining the landlord's consent to the activity (e.g. erecting or altering buildings, investing in new fixed equipment, taking on other land or diversifying into non-agricultural activities such as environmental land management).

Many landlords and tenants are able to work together effectively to negotiate and overcome issues relating to restrictive clauses without the need for recourse to dispute resolution. For example, tenants often work with their landlords to agree diversification plans and to enable them to enter into environmental schemes. We understand this may not be the case for all tenancies and some tenants may find restrictive clauses written several years ago now present a constraint on their ability to develop a productive and viable business.

We want to ensure that agricultural tenants are not unfairly restricted from accessing any financial assistance schemes delivered under the Agriculture (Wales) Bill. Therefore, the aim is to provide tenants of the Agricultural Holdings Act 1986 and Agricultural Tenancies Act 1995 with a route to dispute resolution in circumstances where their landlord may be unreasonably withholding consent to a request to vary a restrictive clause in the tenancy agreement, where that restrictive clause prevents them from applying for and accessing financial schemes governed by the Bill, or, in the case of the 1995 Act, complying with a statutory duty.

Snares and glue traps

The Bill introduces a change to the Wildlife and Countryside Act 1981, enabling Welsh Ministers to ban the use of snares to capture wild animals as well as the use of glue traps for vertebrates.

Marketing Standards

While a high proportion of agricultural legislation has been decided at the European Union (EU) level over the period of Welsh devolution, now that Wales is outside of the EU, Welsh Ministers will have more powers to set agricultural policy. The European (Withdrawal) Act 2018 allowed the retention of EU law in Wales, which was amended through a series of corrective statutory instruments to make it operable in this new constitutional context.

A number of powers were taken in the UK Agriculture Act 2020. Schedule 5 of the UK Agriculture Act pertains to Wales, including provision of marketing standards powers to Welsh Ministers, however this schedule will expire at the end of 2024, with its functions to be replaced by provisions in the Agriculture (Wales) Bill.

One of the areas for which the Welsh Government proposes the continuation of powers for Welsh Ministers is marketing standards in relation to agricultural products. These standards include (but are not limited to):

- technical definitions, designation, and sales descriptions
- classification criteria such as grading into classes, weight, sizing, age, and category
- the species, plant variety or animal breed or the commercial type
- the presentation, labelling, packaging, rules to be applied in relation to packaging centres, marking, years of harvesting and use of specific terms

- criteria such as appearance, consistency, conformation, product characteristics and the percentage of water content
- specific substances used in production, or components or constituents, including their quantitative content, purity, and identification
- the type of farming and production method, including oenological practices
- coupage of must and wine (including definitions of those terms), blending and restrictions thereof
- the frequency of collection, delivery, preservation and handling, the conservation method and temperature, storage, and transport
- the place of farming or origin, excluding live poultry, poultrymeat and spreadable fats
- restrictions as regards the use of certain substances and practices
- specific use of products
- the conditions governing the disposal, the holding, circulation, and use of products not in conformity with the marketing standards, and the disposal of by-products
- the use of terms communicating value-added characteristics or attributes

Additionally, the Welsh Government propose the continuation of enforcement powers for Welsh Ministers, in relation to the regulations outlined above. Such controls would make provision:

- about the provision of information
- conferring powers of entry
- conferring powers of inspection, search, and seizure
- about the keeping of records
- imposing monetary penalties
- creating summary offences punishable with a fine (or a fine not exceeding an amount specified in the regulations, which must not exceed level 4 on the standard scale)
- about appeals
- conferring functions (including functions involving the exercise of a discretion) on a person

The type of regulations proposed would be for a set list of agricultural products. The list is composed of:

- milk and milk products
- spreadable fats
- beef and veal
- poultry and poultrymeat
- eggs and egg products
- fruit and vegetables
- olive oil and table olives
- hops
- wine
- aromatised wine

The list of products included in the marketing standards provisions has been carried over from EU legislation, so their inclusion is not intended to reflect their importance to the Welsh agriculture and food sectors. The policy decision for the Bill is to include the same list of products as is listed in the

Agriculture Act 2020, which in turn reflects EU legislation. One of the provisions allows Welsh Ministers to amend the list of products for which particular marketing standards apply, but such a move would be made in subordinate legislation using the powers in the Bill. Any such change would require careful consideration of the impacts it would have on creating different standards in Wales as compared with the rest of Great Britain and the EU.

The expiry of Schedule 5 of the UK Agriculture Bill in December 2024 means that without including equivalent powers in the Agriculture (Wales) Bill of the marketing standards provisions outlined above, Welsh Ministers would lose their ability to amend or revoke the current standards and would be unable to add any new ones.

As agricultural product standards is a devolved area under Section C7 of the Wales Act 2017², it is important that Welsh Ministers have the primary powers to set these standards.

Carcass Classification

Carcass classification for beef and pigmeat has been an element of EU Common Market Organisation legislation at least since the 1968 European Economic Community (EEC) Regulation on the Common Organisation of the Market in Beef and Veal³ and the 1975 EEC Regulation on the Common Organisation of the Market in Pigmeat⁴ respectively. This legislation has been updated over time and has been retained following the UK's exit from the European Union.⁵

Conspicuous by its absence from these regulations was provision for sheep carcass classification, therefore provision was made in 2017 for Member States to set such standards.⁶ It was compulsory for EU Member States to implement the regulations for beef and pigmeat, but this was not the case for sheep meat. It is the ambition of Welsh Ministers to use the powers contained in retained EU regulations to make regulations for sheep carcass classification.⁷ The retained EU powers will be superseded by the ones described here.

The scope of the impact assessment is not to examine what standards should be set for ovine, bovine or porcine carcass classification, but to examine the impact of the inclusion of primary

² <http://www.legislation.gov.uk/ukpga/2017/4/schedule/1>

³ https://www.legislation.gov.uk/eur/1968/805/pdfs/eur_19680805_adopted_en.pdf

⁴ <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:31975R2759&from=EN>

⁵ The Beef and Pig Carcase Classification (Wales) Regulations 2011, <https://www.legislation.gov.uk/wsi/2011/1826/contents/made>

⁶

<https://www.legislation.gov.uk/eur/2017/1182/adopted#:~:text=Commission%20Delegated%20Regulation%20%28EU%29%202017%2F1182%20Show%20full%20title,of%20certain%20categories%20of%20carcasses%20and%20live%20animals>

⁷ COMMISSION IMPLEMENTING REGULATION (EU) 2017/1184 of 20 April 2017 laying down rules for the application of Regulation (EU) No 1308/2013 of the European Parliament and of the Council as regards the Union scales for the classification of beef, pig and sheep carcasses and as regards the reporting of market prices of certain categories of carcasses and live animals

powers for Welsh Ministers to set carcass classification standards in the Agriculture (Wales) Bill. These are the equivalent powers for Welsh Ministers that already exist in the Agriculture Act 2020, until the end of 2024.⁸ As such, the intention of bringing these powers in the Bill is one of continuity, making sure that Welsh Ministers continue to have the primary powers to set carcass classification standards.

Intervention in Agricultural Markets

Under powers in the Agriculture Act 2020, Welsh Ministers have the powers to make a declaration of exceptional market conditions and provide financial assistance to agricultural producers adversely affected by these conditions.⁹ In addition, Welsh Ministers have the powers to launch Public Intervention and Private Storage Aid Schemes. The former is a type of market intervention where the Welsh Government may purchase agricultural products directly from producers, store them and sell them at a time when there is more market stability or higher demand. Private Storage Aid is similar, but instead of the Government purchasing the products, producers retain ownership over them, and Government would contribute towards their storage costs for a limited time. Both of these powers are similar to ones which existed in previous EU legislation.¹⁰

Powers in the Agriculture Act 2020 for Welsh Ministers to declare a market emergency, create an intervention scheme for agricultural producers and to establish Public Intervention or Private Storage Aid are time-limited, however, with the relevant schedule being subject to a “sunset clause”, meaning that they will no longer be in place after the end of 2024.¹¹ This is because in the drawing up of the UK Agriculture Act, it was anticipated that these powers would be transferred to the Agriculture (Wales) Bill from the start of 2025. This transferral of Welsh Ministers’ powers to declare exceptional market conditions and provide financial assistance to agricultural producers adversely affected by exceptional market conditions from the Agriculture Act 2020 to the Agriculture (Wales) Bill is the subject of these impact assessments.

Transition from current support

Setting Sustainable Land Management as the future policy framework for farming in Wales means that the current support scheme, the Basic Payment Scheme (BPS), will be phased out. Any new scheme must demonstrate how it best contributes to achieving the Sustainable Land Management objectives. The Bill therefore includes the ability to modify BPS in order to make way for the proposed future support for agriculture by providing powers to provide transition payments as part of a transition period between the old and new schemes via the power of support and the existing BPS and modification powers. This will ensure no farmer experiences a sudden cessation of payments, regardless of whether or not they chose to partake in any future scheme.

⁸ <https://publications.parliament.uk/pa/bills/lbill/58-01/130/5801130.pdf> , Part 7, Clause 44

⁹ <https://www.legislation.gov.uk/ukpga/2020/21/schedule/5/part/2/enacted>, Schedule 5, Part 2

¹⁰ EU Regulation 1308/2013, Part II, Title I, Chapter I & Article 219

¹¹ Ibid, Part 7, Point 44.

Core Concepts

Many pieces of legislation rely on a definition of agriculture that was written in 1947. While many of the core activities remain the same, the practices and approaches of the industry have developed and advanced as new technology and priorities have been adopted.

The Core Concepts aspect of the Bill defines what is meant by agriculture and its ancillary activities within the confines of the Bill, seeking to update the definition of agriculture while recognising its rich history and traditional practices. It seeks to capture the range of innovative practice currently used in Wales as well as looking ahead to steps the industry may need to take as it adapts to the challenges ahead.

The definitions capture activities which allow the sector to meet the first SLM objective, the sustainable production of food, while also meeting the further three objectives. These activities are seen to be mutually supportive and compatible.

Legal framework

As we set out in *Sustainable Farming and our Land*¹², the Well-being of Future Generations (Wales) Act 2015 and the Environment (Wales) Act 2016 establish an important legislative framework, focused on sustainability, from which to develop future land management policy in Wales. We have developed a policy approach for all future agricultural support provided by the Welsh Government based upon the requirements of these two Acts. An overview of the key relevant requirements is provided below.

Well-being objectives

The *Programme for Government – Update* sets out the Welsh Government's objectives in response to its obligations under the Well-being of Future Generations (Wales) Act 2015. The objectives contained within the document of direct relevance to the Bill are:

- *Create a new system of farm support that will maximise the protective power of nature through farming, recognising the particular needs of family farms in Wales and acknowledging ecologically sustainable local food production.*
- *Introduce a transition period to the new farm support scheme, including continuing stability payments, beyond the current Senedd term.*
- *Ban the use of snares*
- *Support farmers and landowners based in Wales to encourage woodland creation on less productive land and explore ways of drawing investment for woodland creation that secures local ownership and control.*

Ways of Working

¹² <https://gov.wales/sites/default/files/consultations/2019-07/brexit-consultation-document.pdf>

The Well-being of Future Generations (Wales) Act 2015 requires any public body acting in accordance with the sustainable development principle to take account of a set of ways of working. We describe each one and explain how we are giving it effect through the Bill.

1. Long-term (the importance of balancing short-term needs with the need to safeguard the ability to meet long-term needs, especially where things done to meet short-term needs may have detrimental long-term effect).

The SLM objectives are designed to ensure both short- and long-term needs are met. The Bill places a duty on Welsh Ministers to consider how best to achieve the SLM objectives in any support or regulation for agriculture, including the sustainable production of food, when developing future policy. This will mitigate against action being taken in the short term which may have negative longer-term impacts and vice versa. The intention is to introduce a framework focused on the sustainability of Wales' economic, environmental, and cultural resources. Action needs to be taken in the short term to meet the pressing challenges of the climate and nature emergencies, but this must be done in a just and fair way.

Tenancies

The provisions are designed to support Welsh Government's key long-term strategic objectives for future agricultural support by enabling fair access to schemes for farmers with tenanted land who may otherwise be restricted by clauses written into their leases many years ago, or in the case of the 1995 Act, complying with a statutory duty.

2. Integration (defined in the Well-being of Future Generations (Wales) Act 2015 as “the need [for public bodies] to take an integrated approach, by considering how– (i) the body's well-being objectives may impact upon each of the well-being goals; and (ii) the body's wellbeing objectives impact upon each other or upon other public bodies' objectives, in particular where steps taken by the body may contribute to meeting one objective but may be detrimental to meeting another”).

SLM and future support

The Bill will require Ministers to consider how they can best contribute to achieving the SLM objectives when developing support for agriculture. The objectives are underpinned by the requirement that they are met in a way which meets present needs without compromising those of future generations and contribute to the Well-being goals. This will embed an integrated approach into future support for agriculture.

Forestry

The proposal supports the “Resilient Wales” goal by better safeguarding wildlife and better protecting against environmental damage that might arise from felling trees. The application of these powers needs to be appropriate and proportionate in order that the forestry sector continue to contribute to the “Prosperous and Secure” goal.

Tenancies

The provisions integrate with broader Welsh Government goals. They further the Prosperity for All agenda by supporting the ‘Prosperous and Secure’ goal of combating climate change by maximising scheme uptake and thereby aiding the sustainability of the agricultural industry. The provisions also contribute to the ‘healthy and active’ objective by building ‘better environments’.

Marketing Standards

With the ability to decide on product composition, Ministers can influence both the impact on human health through consumption of such products, through limits on ingredients damaging to health, for example, as well as the environmental impact of their production. As such, including provisions on marketing standards in the Agriculture (Wales) Bill will contribute to both the Wellbeing of Future Generations objectives of A Prosperous Wales, A Healthier Wales and A Globally Responsible Wales.¹³ Likewise, these considerations align with the objectives of Prosperity for All, namely under the themes of Healthy and Active¹⁴ and Prosperous and Secure¹⁵.

Carcass Classification

The provisions will indirectly contribute to the objectives of a prosperous Wales and a more equal Wales, as described in the Wellbeing of Future Generations Act.¹⁶ Firstly, the provisions will allow Welsh Ministers to set harmonised market standards, boosting business confidence through allowing farmers and meat sellers to be surer of the value of their produce. Secondly, the harmonisation of standards would mean fairer trading across the nation, increasing equality, so this first step in ensuring Welsh Ministers have these powers will contribute to that objective. Both of these reasons are why the provisions also meet the “prosperous and secure” theme set out in *Prosperity for All: the National Strategy*.¹⁷

Intervention in agricultural markets

The provisions are compatible with the Wellbeing objectives of A Prosperous Wales and a Resilient Wales.¹⁸ They fit under the umbrella of the first of these objectives, because they allow the continuation of Welsh Ministers’ powers to provide support to agricultural producers at a time where circumstances entirely outside of their control have had a severely negative impact on their business. Private Storage Aid powers, for example, were used in 2020 during the Coronavirus pandemic to support dairy farmers who were seeing a steep decline in the price of their milk due to

¹³ Wellbeing of Future Generations Essentials, p. 6 <https://gov.wales/sites/default/files/publications/2019-08/well-being-of-future-generations-wales-act-2015-the-essentials.pdf>

¹⁴ Prosperity for All: the national strategy, P. 11 <https://gov.wales/sites/default/files/publications/2017-10/prosperity-for-all-the-national-strategy.pdf>

¹⁵ Ibid, p. 7

¹⁶ <https://documents.hf.wales.gov.uk/id:A10692636> p.6

¹⁷ <https://gov.wales/sites/default/files/publications/2017-10/prosperity-for-all-the-national-strategy.pdf> , p.3

¹⁸ Wellbeing of Future Generations Essentials, p. 6 <https://gov.wales/sites/default/files/publications/2019-08/well-being-of-future-generations-wales-act-2015-the-essentials.pdf>

the closure of food service outlets such as cafés. The ability of Welsh Ministers to use these powers will allow the rural economy to continue generating wealth after crisis periods, rather than seeing an economic slump and the potential changes to land use that could lead from farm businesses closing in large numbers.

The provisions contribute to the objective of a Resilient Wales by allowing Welsh Ministers the ability to use financial powers to stabilise farm business revenue during crises and therefore to avoid their closure. If a large number of farms were to close simultaneously, this could have a significant impact on the cohesion of rural communities. The aim of the provisions is to ensure that Welsh Ministers will continue to have these powers, thus allowing a response which will mitigate the worst effects of such crises.

3. Involvement (the importance of involving other persons with an interest in achieving the well-being goals and of ensuring those persons reflect the diversity of the population of Wales (where the body exercises functions in relation to the whole of Wales), or the part of Wales in relation to which the body exercises functions).

The proposed content of the Bill was consulted on as part of the White Paper consultation exercise in 2020. The summary of responses to this consultation were published in July 2021¹⁹.

SLM and future support

We have held two other consultations on future support, which generated in excess of 15,000 responses in total. In addition, we have held public meetings and involved a range of stakeholders through the continued Roundtable Group and subject specific working groups. We completed a first phase of co-design in 2020 which almost 2,000 farmers engaged with. Our second phase of co-design, where farmers and other stakeholders were invited to provide feedback on the Outline Proposals for the Sustainable Farming Scheme, was undertaken in 2022. We will be consulting on final proposals for the SFS and our approach to transition in 2023. We will continue to work with stakeholders as proposals are developed to ensure the scheme works for the industry and will deliver the outcomes we are seeking.

Forestry

The proposals were included in the wider consultation on the Agriculture White Paper. Their subsequent development has involved the engagement and input of a group of key stakeholders. Draft guidance on how the powers will be implemented are being developed which involves further stakeholder engagement.

Tenancies

The proposal has been consulted on in two full public consultations, including as part of the White Paper consultation. We intend to continue engaging with key stakeholders during the development of any secondary legislation.

¹⁹ <https://gov.wales/sites/default/files/consultations/2021-09/agriculture-wales-bill-summary-of-responses.pdf>

4. Collaboration (how acting in collaboration with any other person (or how different parts of the body acting together) could assist the body to meet its well-being objectives, or assist another body to meet its objectives).

SLM and future support

The development of the Bill has involved considerable collaboration between different policy teams within the Welsh Government, Natural Resources Wales (NRW) and other stakeholders. We expect this approach to continue.

Forestry

The proposal will build on NRW's existing internal and external consultation process in relation to felling licences and provide better join up between environmental legislation and the Forestry Act.

Tenancies

The proposal emerged from recommendations made by the Tenancy Reform Industry Group (TRIG) in 2017. We undertook a public consultation on reforming agricultural tenancy law in 2019, and further consulted on this proposal in the Agriculture (Wales) White Paper. We intend to continue engaging with key stakeholders during the development of any secondary legislation.

Marketing Standards

Producers and retailers from across the agriculture and food supply chains have an interest in this legislation, but it is important to differentiate between the ability of Welsh Ministers to regulate with regards to an individual sector, and the practice of making those regulations. If and when subordinate legislation is made using powers on marketing standards given in the Agriculture (Wales) Bill, much broader collaboration in policy development would take place with those with a key interest in the sector for which legislation is being made. There are no plans at present for subordinate legislation to be made using the powers proposed here, so our assessment of the impacts is based on the frequency with which subordinate legislation on marketing standards was made in the past.

5. Prevention (how deploying resources to prevent problems occurring or getting worse may contribute to meeting the body's well-being objectives, or another body's objectives).

SLM and future support

The climate and nature emergencies will have severe effects on our social, economic, and environmental resources if action is not taken to address them. The SLM framework intends to support a resilient agricultural sector which can continue the sustainable production of food whilst also delivering the outcomes needed over the long-term to reduce and mitigate against the emergencies we are facing. Prevention of the degradation of our cultural and natural resources is integral to the delivery of SLM.

Forestry

The provisions aim to provide better protection for wildlife and against environmental harm, reducing the potential impact of felling trees. This should help to contribute to addressing the

nature emergency while ensuring that the forestry sector continues to contribute to addressing the climate emergency.

Tenancies

Enabling fair access to future agricultural support or compliance with statutory duties for farmers with tenanted land who may otherwise have been restricted by clauses written into their leases many years ago, will maximise the amount of land being managed sustainably and farmers in receipt of financial support under future schemes.

Marketing Standards

The aim of including marketing standards provisions in the Agriculture (Wales) Bill is not to change standards at this stage, but to carry forward existing powers from the UK Agriculture Bill to ensure that Welsh Ministers are able to amend marketing standards in future, when such a situation is necessary. With developments in production methods, technology, and scientific knowledge, it is likely that future changes will need to be made to the marketing standards of agricultural and food products, hence the importance of the continuity of primary powers in this area.

Impact

SLM and future support

Although several issues were identified with the overall policy framework set out in our second consultation, *Sustainable Farming and Our Land*, there was broad agreement the proposed framework was an appropriate response to the requirements of the Well-being of Future Generations (Wales) Act 2015 and the Environment (Wales) Act 2016. Overall, the framework supports the principle of providing future funding to support and reward farmers who operate sustainable farming systems.

In both *Brexit and our Land* and *Sustainable Farming and our Land*, some respondents felt the framework did not give due attention or support to ensuring food security by subsidising food production. This perspective informed the strongest opposition to the framework. Whilst it would be extremely challenging for Wales to be fully self-sufficient in food production, we intend to continue to work with the sector to provide sustainable, high-quality food that meets consumer needs.

Sustainable food production and the delivery of environmental outcomes are not competing agendas. The Bill sets the sustainable production of food and goods as one of the four SLM objectives and therefore places a duty on Ministers to consider how they can best achieve this alongside the other three objectives when developing future policy. Encouraging the production of food in a sustainable manner is also included in the Bill as a purpose for future support.

Responses to the Agriculture (Wales) White Paper consultation were broadly positive but caveated on the need for detail, particularly around future support for agriculture.

We have published a draft of the proposed Sustainable Farming Scheme. This is not the final scheme but includes detail on the structure and the actions we will be supporting farmers to undertake. Our second phase of co-design was undertaken in 2022, which gave the opportunity to the sector to further inform our proposals and ensure they work for farmers. We will also be

undertaking economic analyses to further inform scheme design, identify potential impacts and develop mitigations where appropriate.

We will be launching a consultation on the final scheme design and our approach to transition in 2023.

The focus of these impact assessments is therefore the enabling powers provided by the Bill. Further impact assessment will be conducted on subsequent policy, such as that for the proposed Sustainable Farming Scheme.

Forestry

The Stakeholder Group has been unequivocal in that it considers the benefits of the forestry provisions to the Agriculture (Wales) Bill 2022 to be significant.

However, there is considerable concern from the forestry sector that the powers may result in 'mission creep' over time, with increasing numbers of conditions added to licenses and use of powers to amend/suspend/revoke licences already granted. This would be detrimental to the operation of the sector and Welsh Government's objective of bringing more woodlands into management and we wish to avoid this. Provision is set out in the Bill to allow that compensation may be payable under the Forestry Act 1967 where a notice served to amend, suspend or revoke a licence (irrespective of a breach of conditions or no fault) is later cancelled as a result of a successful appeal. Compensation may include depreciation in timber value and/or expenses reasonably incurred, depending on the type of notice cancelled. This potential for compensation and the requirement that the application of the proposed powers by NRW must comply with Public Law principles, the regulators' code and NRW own Regulatory Principles which will serve to ensure that the powers are used where necessary, reasonable and proportionate.

Tenancies

Seventy-nine per cent of respondents to the 2019 consultation strongly agreed/agreed with the proposal. Four per cent were unsure, 18% disagreed and 0% strongly disagreed. Those who agreed tended to feel a formal procedure, binding on both parties, was needed. Some felt such a process would facilitate better discussions and negotiations between landlord and tenant. Some respondents who disagreed felt it would interfere with the terms of agreed contracts, and others said it would be inappropriate for a tenant to be able to seek the lifting of a restrictive clause and to manage the land contrary to the long-established wishes of the landowner.

Welsh Government is content the provisions represent a proportionate solution to the problem by enabling tenants to challenge restrictive clauses where they consider them an unreasonable barrier to accessing financial assistance. The implementing regulations are likely to contain similar provisions as already implemented in England, which were developed through consultation with industry stakeholders Tenancy Reform Industry Group to ensure a fair and balanced approach is taken between tenants' and landlords' interests. The regulations provide that cases are determined by an independent arbitrator or (where both parties agree) third party. The arbitrator or third party is directed to take account of:

- the tenant's quiet enjoyment of the holding;
- the landlord's reversionary interest in the holding;

- other property of the landlord and the tenant;
- evidence as to the settled objectives of the landlord and tenant;
- the desirability of making the least change to the tenancy that is reasonably necessary to give effect to such variation or approval that the arbitrator or third party may direct.

Welsh Government is of the view this strikes a fair balance between the views and interests of the tenant and those of the landlord. The new process would provide an incentive for tenants and landlords to come to a negotiated agreement in order to avoid the costs of dispute resolution, whilst providing a legislative backstop and a means of resolution for those tenants who cannot reach a reasonable agreement with their landlord.

Without recourse to this dispute resolution mechanism some tenants may be unfairly restricted from future income streams or compliance with statutory duties, impacting on our ability to deliver against our key strategic objectives and risking financial loss for the tenant.

Marketing Standards and Carcass Classification

Most responses to the White Paper consultation concerning marketing standards proposals were supportive but stressed the need for consistency between the different nations in Great Britain.²⁰ Overall respondents were supportive of the proposals to take powers for the purpose of Carcass Classification.

If the proposed clauses on marketing standards were not included in the Agriculture (Wales) Bill, Welsh Ministers would lose the powers to create new marketing standards regulations in the agriculture and food supply chain. Not introducing these powers would have no discernible positive effect. This course of action would have the potential to impede the smooth running of the UK's internal market, should other UK nations introduce new marketing standards regulations and Welsh Ministers were not able to, and would mean a reduction in Welsh Ministers' responsibilities.

Intervention in Agricultural Markets

Responses to the proposals on intervention in agricultural markets broadly regarded the proposals as valuable and proportionate.²¹

Because the nature of this proposal is, in effect, continuity of existing powers, albeit under a different piece of legislation, its direct impact is small or negligible, although secondary legislation created using these powers could have a more significant impact. This will be reflected throughout these impact assessments, however each aspect must still be considered carefully to take into account of compatibility with the objectives of the Wellbeing of Future Generations Act²².

²⁰ Ibid, p. 82

²¹ Ibid, pp.81-2

²² Wellbeing of Future Generations Essentials, p. 6 <https://gov.wales/sites/default/files/publications/2019-08/well-being-of-future-generations-wales-act-2015-the-essentials.pdf>

It is important to define the scope of this assessment here, because the purpose of the provisions is only part of a longer line of work. With these provisions, Welsh Ministers will continue to have the power to enact secondary legislation in the event of a severe market disturbance and provide financial assistance to agricultural producers in such circumstances.

Costs and Savings

SLM and future support

There are no immediate costs arising from the SLM and future support provisions as the focus is primary legislation. However there will be cost implications of any future support scheme, including the proposed SFS. The Welsh Government has committed to undertaking an economic analysis of the proposed SFS, which will consider the upstream and downstream impacts of final proposals. Following consultation in 2023, the scheme proposals will be reviewed, and the economic analysis updated.

Forestry

There are costs associated with implementing the powers under this proposal. Please see the Cost Benefit Analysis accompanying the Bill for assessment of potential costs and savings.

Tenancies

Enabling tenants to challenge any clause in their leases which may restrict their ability to access future financial assistance schemes governed by the Agriculture (Wales) Bill or comply with a statutory duty will increase the total number of disputes that arise. For each new case there will be a cost to business that may be borne either by the landlord, the tenant, or both (depending on the nature of the case).

There will be time costs to each individual, however this will vary on a case-by-case basis. The undisclosed nature of many negotiations and disputes that have arisen between agricultural tenants and landowners to date make it impossible to identify the true number and associated costs. It is also impossible to know the exact number of new disputes that will arise as a result of this provision and quantification risks excessive misjudgement.

However, we anticipate the proposal will only impact a small subset of the tenanted sector. We expect in most instances the new process will provide an incentive for tenants and landlords to come to a negotiated agreement in order to avoid the costs of dispute resolution. The provisions will only be relied upon as a last resort by a very small minority who cannot reach negotiated agreements.

This assessment relies on advice from industry experts who estimate the provisions may give rise to ten to twenty new disputes per annum (1% of tenancy agreements) necessitating the appointment of arbitrators. The vast majority of disputes (99%) are settled without the need for full arbitration, with only 1% going through the entire process. This would equate to at most one dispute going to full arbitration per annum.

Arbitrators may be appointed directly by the parties concerned where they can reach agreement on who that should be, or failing agreement, a person appointed by the Agricultural Law Association (ALA), Central Association of Agricultural Valuers (CAAV) or the Royal Institution of Chartered

Surveyors (RICS). The Agricultural Holdings (Fee) Regulations 2022 currently sets the appointment fee at £195.

Industry experts estimate the average cost of full arbitration is approximately £25,000. This includes the cost of an arbitrator's time and associated fees for legal representation.

Costs are reduced where arbitrators are appointed but agreement reached between parties without the need for full arbitration. Industry experts estimate this to be in the region of £15,000 per case, mainly through avoided legal fees.

Expert determination is a cheaper and quicker alternative to arbitration. Rather than parties presenting their case to an arbitrator, they agree to appoint a third party who should have expertise in the issue over which there is disagreement. This person reviews the evidence and makes a decision to settle the dispute. The decision is binding and can only be appealed or challenged in exceptional circumstances. The process usually takes three to six months and is estimated to cost £5,000 on average according to TRIG's assessment in 2014 to inform the Deregulation Act 2015. This will have risen to approximately £6,000 taking inflation into account.

As such, we estimate the total cost to business to be between £172,000 and £334,000 per annum.

For some, the costs and time required to go through the process could deter individuals and businesses from utilising the provisions. However, we anticipate the provisions will act as an incentive for tenants and landlords to come to a negotiated agreement in order to avoid the costs of dispute resolution, whilst providing a legislative backstop to those who cannot reach a reasonable agreement.

Marketing Standards

As the provisions concern only the creation of new primary legislation and the inclusion of existing powers in that new primary legislation, much of our analysis of the costs and benefits is based on potential changes to secondary legislation using these powers. All forecasting of costs and benefits is to some degree speculative, but even more so in this case as we are considering both the possible impacts of this legislation in itself, and hypothetical legislation to be created subsequent to it.

As the proposed powers are not subject to a time limit, and could therefore exist indefinitely, the time limit of our analysis is set to the ten years following the creation of these powers. This will ensure consistency with the guidance set out in the HM Treasury *Green Book*.²³

Carcass Classification There are currently no plans to amend bovine, and porcine carcass classification standards using these proposed powers, but updates to such regulations have been made steadily over the years resulting from changes to technology and market organisation. The

²³ 2018,

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/938046/The_Green_Book_2020.pdf, p.42

development of sheep carcass classification policy is ongoing, and has not yet reached a point where robust assessments of its impact can be made.

Mechanism

The Bill is bringing forward primary legislation. A Regulatory Impact Assessment has been completed alongside the Agriculture (Wales) Bill.

SECTION 2. WHAT WILL BE THE EFFECT ON SOCIAL WELL-BEING?

2.1 People and Communities

How (either positively or negatively), and to what extent (significant/moderate/minimal impact), will the proposal affect people and communities?

Sustainable Land Management (SLM) and future support

Setting SLM as the framework for future support should have a positive impact on people and communities by protecting our natural resources and producing positive health outcomes for the people of Wales. SLM is designed to meet both the needs of present and future generations, and contribute to the well-being goals as laid out in Section 4 of the *Well-being of Future Generations (Wales) Act 2015*. Support will enable farmers to be rewarded for the delivery of SLM outcomes and for their contribution to the health and wellbeing of our nation. This will bring benefits to farmers, farming families, rural communities, consumers of Welsh produce and the people of Wales.

We recognise, however, that different groups will experience different impacts. We therefore provide a detailed assessment of the expected impacts on particular individuals, groups and communities in the full impact assessments, which can be found in the Annexes of this document.

Tenancies

We expect the provisions to have a small positive impact on people and communities by facilitating compliance with statutory duties and entry to future schemes funded under the purposes for support, including the proposed Sustainable Farming Scheme (SFS), for agricultural tenants who may otherwise have been restricted by clauses written into their leases several years ago. The more farmers participating in the scheme and managing their land sustainably, the greater the benefits to the environment and the public.

Marketing Standards

Ultimately, future regulations made through powers granted in this proposal will have an impact on everyone in Wales, but will have a particular impact on owners of and workers in agricultural and food businesses, which are of more importance to the rural economy compared with the urban economy. It is important to note, however, that these provisions will have an impact on all consumers in Wales. Everyone consumes food, and consumers rely on adequate regulation to have confidence in the quality of the products they are buying.

The marketing standards provisions in the Bill will continue the ability of Welsh Ministers to affect how agricultural products are presented to consumers in Wales, including the use of terms communicating value-adding characteristics or attributes. In addition to these benefits to the consumer, businesses producing and selling alimentary goods benefit from the increased efficiency of harmonised standards across the food supply chain.

Carcass Classification

The powers for Welsh Ministers to set carcass classification standards, when used, are beneficial to rural communities in particular, due to a higher reliance on agriculture in the countryside. Were secondary legislation put in place to amend standards for ovine, bovine or porcine meat classification regulations, this detail would be further explored in the impact assessments written for that work.

Intervention in Agricultural Markets

The powers for Welsh Ministers to intervene in agricultural markets, when used, are beneficial to rural communities in particular, due to a higher reliance on agriculture in the countryside. Were secondary legislation put in place to launch an intervention scheme, this detail would be further explored in the impact assessments written for that work.

2.2 Children's Rights

SLM and future support

Please see Annex A for the Children's Rights Impact Assessment.

Tenancies

We expect the provisions to have a small positive impact on people and communities by facilitating compliance with statutory duties and entry to the proposed Sustainable Farming Scheme for agricultural tenants who may otherwise have been restricted by clauses written into their leases several years ago. It is anticipated access to future funding streams will positively impact children of such tenant farmers by improving the economic resilience of the business.

In addition, the delivery of SLM objectives will have a positive effect on the lives of children, now and in the future; the SLM framework is complementary to the well-being goals in Section 4 of the *Well-being of Future Generations (Wales) Act 2015*.

2.3 Equality

Please see Annex B for the Equality Impact Assessment.

2.4 Rural Proofing

How (either positively or negatively), and to what extent (significant/moderate/minimal impact), will the proposal impact on rural individuals and communities?

SLM and future support

Please see Annex C for the Rural Proofing Impact Assessment.

Forestry

The proposals form part of the existing felling licence regime which provides rural employment and income through timber revenues.

Tenancies

The provisions in the Bill relating to tenancies will affect some rural individuals and communities with links to tenanted holdings. It is anticipated the provisions will provide an incentive for most tenants and landlords to come to a negotiated agreement regarding compliance with statutory duties and entry to future funding streams in order to avoid the costs of dispute resolution. The provisions will only be relied upon by a small number of tenanted farmers as a last resort where negotiated agreements cannot be reached. The costs of arbitration and third-party determination are set out in Section 1.

The provisions will not:

- have a specific impact on people living in sparsely populated areas nor people in geographic isolation;
- affect access to services for rural people;
- have a differential impact on older people;
- effect housing in rural areas;
- have a negative effect on the Welsh language;
- have an impact on in-work poverty and fuel poverty.

It is for these reasons a full Rural Proofing Impact Assessment relating to the tenancy provisions is not needed.

Marketing Standards

An assessment of the impacts of the Marketing Standards provisions on rural areas can be found in Annex C.

Carcass Classification

An assessment of the impacts of the Carcass Classification provisions on rural areas can be found in Annex C.

Intervention in Agricultural Markets

An assessment of the impacts of the Intervention in Agricultural Markets provisions on rural areas can be found in Annex C.

2.5 Health

Summary of predicted impacts

SLM and future support

It is anticipated that SLM and the powers for support will have a number of health impacts on the general public and on the farming community. The Bill provides the legislative framework for SLM as the future policy framework for agriculture in Wales, with strategic objectives encompassing food production, climate change mitigation, ecosystem resilience, and the conservation and enhancement of culture and the countryside. This will pave the way for future support mechanisms which will assist the delivery of SLM. Specifically:

- Environmental improvements that provide physical health benefits to the Welsh public. The SLM framework is designed to have a positive impact on the environment, with associated health benefits for the people of Wales. In particular, improved air and water quality and reduced flood risk are set as two of the purposes for future support;
- Prevention, control, and elimination of animal diseases, contributing towards safer food, improved public health and minimising the risk to people from diseases such as salmonellosis. Achieving and promoting high standards of animal health and welfare is set as a purpose for support;
- Opportunities for increased physical activity through enhanced public access opportunities and contact with nature, and the positive impacts of this on the physical and mental health of the population. Maintaining and enhancing public access to the countryside is set as a purpose for support.

The level of change does, however, have the potential to have negative impacts on farmer mental health if it is not managed appropriately. Clear advice, guidance, and support will be important to help mitigate this. In addition, there will be a multi-year transition period to provide farmers with stability in the move from the current Basic Payment Scheme (BPS) to the proposed Sustainable Farming Scheme (SFS). No farmer will experience a sudden cessation of the payments they receive, even if they choose not to partake in the new scheme. We are continuing to work with our stakeholders to understand issues involving mental health and to ensure suitable mitigations are in place where issues arise.

We have identified a number of potentially significant impacts on health within the Bill.

Throughout the development of the policy, mitigating actions which have been identified in our initial impact assessment have been incorporated, these are described below in section 2.5a.

Tenancies

We expect the provisions to have a small positive impact on people and communities by facilitating compliance with statutory duties and entry to the proposed Sustainable Farming Scheme for agricultural tenants who may otherwise have been restricted by clauses written into their leases several years ago. We expect this will have a minimal positive impact on key health determinants of public health as a result of sustainable use of natural resources and increased opportunities to access the countryside. There should be long term benefits to biodiversity, air quality, water quality, flood risk and animal health.

The stress and costs of arbitration may have some negative mental health impacts on the exceptionally small minority of tenants and landlords that may make use of the provisions. It is not appropriate for Welsh Government to issue guidance as agricultural tenancy agreements are private contracts between tenants and landlords. Both parties are likely to seek professional advice on their specific circumstances in relation to these provisions. However, industry led guidance has been developed by TRIG and is widely accessible to tenants, landlords and professional advisors through industry representative bodies including the Tenant Farmers Association, the National Farmers Union, the Country Business and Land Association, the Royal Institute of Chartered Surveyors, the Agricultural Law Association and the Central Association of Agricultural Valuers.

Marketing Standards

The provisions should have a low impact on health determinants. This will be different for any subordinate legislation made under the powers proposed here, where the content of agricultural and food products will have an impact on human health.

Intervention in Agricultural Markets

Secondary legislation made through Market Intervention powers could have a positive impact on the mental health of farmers facing financial difficulties. The provisions would likely have little impact on physical health.

2.5a How (either positively or negatively), and to what extent (significant/moderate/minimal impact), will the proposal impact health determinants?

We consider determinants under the following headings, each of which may have a number of relevant subsections:

- *Lifestyles*
- *Social and community influences on health*
- *Mental well-being*
- *Living/environmental conditions affecting health*
- *Economic conditions affecting health*
- *Access and quality of services*
- *Macroeconomic, environmental and sustainability factors*

Lifestyles

The Bill should provide moderate benefits to the lifestyle determinants of the health of the people of Wales. Improved opportunities for access to, engagement with, and enjoyment of, the countryside should contribute to better physical and mental health outcomes for the general population, as should food safety improvements resulting from increased animal health and welfare.

Diet and Public Health

Achieving and promoting high standards of animal health and welfare is one of the SLM purposes for support set out in the Bill. This will allow support to be provided to prevent, control, and eliminate animal diseases, contributing towards safer food and improved public health. Minimising the risk to people from diseases such as salmonellosis can help reduce the demand on health services and the need for antibiotic treatment²⁴.

Less healthy livestock are less efficient and likely to have higher greenhouse gas (GHG) emission intensities i.e. they produce more kilograms of GHG per kilogram of edible output. Work commissioned by the UK Climate Change Committee (UKCCC) has identified improving animal

²⁴ <https://www.theccc.org.uk/publication/non-co2-abatement-in-the-uk-agricultural-sector-by-2050-scottish-rural-college/>

health as one of the most effective mitigation measures. Healthier and more productive animals will lead to less pollution and greenhouse gas emissions, and therefore lower risk to human health²⁵.

Antimicrobial resistance (AMR) is one of the greatest, long-term threats to human health, both in Wales and globally. The impacts of unchecked AMR are wide-ranging and extremely costly, not only in financial terms, but also in terms of global health, food security, environmental wellbeing, and socio-economic development. Already, AMR is estimated to cause at least 700,000 deaths around the world each year. That figure is predicted to rise to 10 million, alongside a cumulative cost of \$100 trillion, by 2050 if no action is taken²⁶.

Wales will also be impacted by AMR if it is not controlled, though work to quantify the impact in terms of lives lost has not yet been done.

AMR is driven by the use of antibiotics. Part of control is to reduce antibiotic use, both in animals, whether farmed or kept for other purposes, and in people. For farmed animals, this means keeping them as healthy as possible in high health production systems. This reduces the need to use antibiotics and so reduces the risk of AMR development. The principles of SLM are designed to drive healthy livestock production, taking a 'prevention is better than cure' approach, which would therefore help to address the issue of AMR.

Lifestyles and Physical Activity

One of the ways in which farmers support the physical and mental well-being of the general population is through their maintenance of the countryside and rights of way. The Welsh countryside provides space for physical activity which contributes to both physical and mental well-being. Spending time in the countryside has been shown to have positive mental health and well-being effects²⁷. Farmers manage approximately 90% of the land in Wales²⁸, which includes 16,000 miles of footpaths, 3,000 miles of bridleways, 1,200 miles of cycle network and 460,000 hectares of open access land²⁹, as well as hedgerows, dry stone walls and other landscape features.

SLM and the powers of support will enable provision for public access to the countryside. Enhanced access and engagement is one of the purposes in support of the strategic objective to conserve and enhance the countryside and cultural resources and to promote public access to and engagement with them. This should enable greater levels of recreation and enjoyment of the Welsh countryside by the people of Wales and visitors to Wales.

²⁵ <https://www.theccc.org.uk/publication/non-co2-abatement-in-the-uk-agricultural-sector-by-2050-scottish-rural-college/>

²⁶ WHO (2019), No time to Wait: Securing the future from drug resistant infections.

²⁷ Pretty, J., Griffin, M., Peacock, J., Hine, R., Sellens, M., & South, N. (2005). A countryside for health and wellbeing: the physical and mental health benefits of green exercise. Countryside Recreation Network, Sheffield Hallam University.

²⁸ Either through farmland or commons. <https://gov.wales/sites/default/files/statistics-and-research/2020-12/survey-agriculture-and-horticulture-june-2020-932.pdf>

²⁹ NFU Cymru (2017). Farming – Bringing Wales Together.

There is a substantial body of evidence supporting the notion that wider ranging opportunities for public access to the countryside may also generate additional public health benefits. For example:

- A 2007 review³⁰ of the links between the natural environmental and well-being concluded *“The natural environment provides physical, mental and social well-being benefits. There are synergistic effects between these benefits”*. It also noted *“...increased levels of physical activity are known to have both a preventative role in cardiovascular and musculo-skeletal diseases and inhibiting stroke and cancer. It also has a positive effect on range of health determinants such as body weight, blood pressure, cholesterol levels and so forth”*.
- A 2007 study³¹ looking at the mental health impacts of a range of countryside green activities across the UK concluded *“...green exercise generates mental health benefits regardless of the level of intensity, duration or type of green activity undertaken”*. The study reported all participants demonstrated *“significant improvement in their self-esteem and total mood disturbance... factors of anger-hostility, confusion-bewilderment, depression-dejection and tension-anxiety all significantly improved post-activity.”*
- A 2009 study³² evaluated changes in self-esteem and mood after walking in four different English National Trust natural and heritage sites and found *“Feelings of anger, depression, tension and confusion all significantly reduced and vigour increased. Thus, the environment plays an important role in facilitating physical activities and helping to address sedentary behaviours. Walking, in particular, can serve many purposes including exercise, recreation, travel, companionship, relaxation and restoration. However, walking in greenspaces may offer a more sustainable option, as the primary reward is enhanced emotional well-being through both exposure to nature and participation in exercise.”*
- A 2023 study³³ in Finland found that frequently visiting green spaces was associated with less frequent use of psychotropic, antihypertensive and asthma medications for those in urban environments. The association did not apply with regards to residential green or blue space, or green or blue views from the home.

Nonetheless, improving access to the countryside will not have a substantial public health impact unless it is accompanied by greater usage. The Bill’s strategic objectives include the promotion of

³⁰ Newton, J. (2007). Wellbeing and the Natural Environment: A brief overview of the Evidence, University of Bath.

³¹ The activities included conservation, walking, mountain biking, woodland activities, horse riding, boating and fishing. Pretty, J., Peacock, J., Hine, R., Sellens, M., South, N., & Griffin, M. (2007). Green exercise in the UK countryside: Effects on health and psychological wellbeing, and implications for policy and planning. *Journal of environmental planning and management*, 50(2), 211-231.

³² Barton, J., Hine, R., & Pretty, J. (2009). The health benefits of walking in greenspaces of high natural and heritage value. *Journal of Integrative Environmental Sciences*, 6(4), 261-278.

³³ Turunen AW, Halonen J, Korpela K, *et al*. Cross-sectional associations of different types of nature exposure with psychotropic, antihypertensive and asthma medication. *Occupational and Environmental Medicine* 2023;**80**:111-118. (<https://oem.bmj.com/content/80/2/111>)

access to and engagement with the countryside, and we will be considering how best to achieve this objective through future support.

SLM and the powers of support are designed to support the public to safely access the countryside, and subsequently benefitting from improved health outcomes. Future schemes, including the proposed SFS, will be able to support an increase in the proportion of public rights of way that are open, easy to use and well signed.

Snares and glue traps

The provision in the Bill to ban snares will offer reassurance that animal welfare in the countryside remains a high priority. Snares currently cause significant pain and suffering to foxes and to non-target species such as badgers and companion animals (i.e. dogs and cats), and a ban on their use is an important step in protecting animals from harm in Wales.

The evidence supports the view that glue traps are also inhumane – they often inflict prolonged mental and physical suffering upon the animal that becomes trapped. The case studies of pets and wild animals that have fallen victim to a glue trap have drawn the most public attention, however the reality is that the potential to suffer is universal to all sentient beings, including those deemed as ‘pests’. There are sufficient alternative, more humane, methods of control or ways to prevent rodent ingress, available. The ban on glue traps is another important step in improving animal welfare in Wales.

Farm Safety

Data from the Health and Safety Executive (HSE)³⁴ shows there were seven fatalities on farms in Wales in 2020-21, compared with a five-year moving average (2016-17 to 2020-21) of five per year. Many more have been seriously injured or made ill and as a result unable to work. On-farm health and safety is a fundamental requirement of a sustainable farming business and should be seen as an essential part of farm business management. As our proposals for the Sustainable Farming Scheme develop, we will consider how Continued Professional Development could incorporate farm safety. It is expected that properly identifying and managing risks, along with high levels of education and skills, will lead to an improvement of health and safety standards on farms.

Social and community influences on health

A Public Health Wales report³⁵ identifies a number of key uncertainties and challenges with the potential to impact on farmers’ well-being, one of which being isolation and loneliness. There is evidence that involvement in environmental schemes can mitigate some of these well-being

³⁴

<https://webarchive.nationalarchives.gov.uk/ukgwa/20220527002239/https://www.hse.gov.uk/agriculture/resources/fatal.htm>.

³⁵ Public Health Wales and Mental Health Foundation (2019). Supporting farming communities at times of uncertainty. An Action Framework to support the mental health and well-being of farmers and their families.

issues. For example, the EU LIFE report³⁶ into the Burren LIFE project in Ireland noted *“Another initially unforeseen benefit of the subcontracted conservation work was its ability to offset the social isolation that many farmers experience as the work was usually carried out by teams of at least two and provided an opportunity for social interaction”*.

Similarly, a survey³⁷ of Environmental Stewardship (ES) participants in England reported ES can *“...play an important part in developing new social contacts and networks. Of the advisors used by agreement holders, 40% were not known to them previously, which indicates these agreement holders had to reach out beyond the established social networks around their farm or business for this expertise. This was particularly the case for HLS [Higher Level Stewardship] agreement holders and for the lowland dairy and livestock farms. These new linkages and flows of information can potentially lead to profound changes in social and business activity.”* The survey found ES schemes, particularly HLS, have also brought agreement holders into contact with more farmers and the general public. It appears the social contact prompted by scheme membership (hosting or attending farm walks, meetings to discuss options, advisor visits) can be greatly valued.

The above evidence suggests funding collaborative SLM action amongst farmers, and between farmers and members of the wider community, has the potential to reduce social isolation and loneliness for scheme participants, and therefore contribute to better mental health amongst farmers. This will be further considered as proposals for the SFS are developed.

Mental well-being

SLM and the powers of support are designed to support opportunities for access to, and enjoyment of, the countryside, contributing to better physical and mental health outcomes for the general population. The positive well-being impacts that landscape features have on those spending time in the natural environment are outlined in *“A Countryside for Health and Wellbeing: The Physical and Mental Health Benefits of Green Exercise”* report³⁸.

As well as general societal health and well-being, the mental health of farmers is an important consideration, as the reforms resulting from SLM and future support are likely to have a more noticeable impact on their day-to-day lives compared with the general population. With regard to access, a survey by the National Sheep Association (NSA)³⁹ highlighted farmers have experienced an increase in sheep worrying attacks by dogs since the start of the Covid-19 pandemic, as dog ownership and countryside access increased. A rise in littering has also been widely reported in the media. We recognise an increase in visitors to the countryside, if not properly managed, can have profound impacts on the mental health of farmers, with respondents to the NSA survey

³⁶ Technical Final Report (LIFE04NAT/IE/000125). Burren LIFE Farming for Conservation in the Burren.

³⁷ Mills, J., et al. (2010). Estimating the Incidental Socioeconomic Benefits of Environmental Stewardship Schemes. Final Report. Countryside and Community Research Institute.

³⁸ Pretty, J., Griffin, M., Peacock, J., Hine, R., Sellens, M., & South, N. (2005). A Countryside for Health and Wellbeing: The Physical and Mental Health Benefits of Green Exercise- Executive Summary. *Countryside Recreation Network*.

³⁹ <https://www.nationalsheep.org.uk/for-the-public/culture/sheep-worrying/survey-results/>

reporting feelings of anxiety, anger, upset, stress, and frustration. New measures to tackle livestock worrying were introduced in England and Wales in 2021⁴⁰ in order to mitigate this issue.

International data demonstrates farming has some of the highest incidents of suicide compared with other occupations, and social isolation at work may be an important factor in this⁴¹. In Wales, data from the Office for National Statistics showed 32 farmers died by suicide between 2011 and 2019 (31 males and 1 female). As an occupation grouping according to the Standard Occupational Classification (SOC), Farmers (SOC code 5111) was the joint eleventh highest occupation category for number of suicides among males in 2019.

The Public Health Wales⁴² report mentioned above notes “...*dealing with uncertainty can increase anxiety and have a detrimental impact on mental well-being amongst farmers, their families and rural communities. Farmers experience high levels of stress and anxiety due to a lower sense of control over farming sector processes (competition, regulation and price margins) and the wider environment effecting farming practice (disease and weather). Farmers are at increased risk of feeling at times that life is not worth living, having a lack of social support, and have been identified as an occupational group at increased risk of suicide*”.

The report identifies six key uncertainties and challenges with the potential to impact of farmers’ mental health and well-being:

1. The uncertainty and viability of farming in Wales;
2. Succession planning;
3. Regulation, administration and digitalisation;
4. Farmer’s prioritising their own health;
5. Isolation and loneliness (*detailed above under ‘Social and community influences’*);
6. The underlying culture and expectations in farming.

We comment on each issue below in relation to SLM and the powers of support.

1. *The uncertainty and viability of farming in Wales*

Public Health Wales notes “...*the Brexit process so far has resulted in significant financial and regulatory uncertainty, in particular for farmers Post-Brexit trading scenarios and future funding mechanisms are recognised as challenges to the Welsh farming industry*”. Whilst the principles and policy direction for future support have been set out in the Bill, there remains uncertainty about the nature of UK trading relationships in agricultural produce now we have left the European Union (EU).

⁴⁰ <https://www.gov.uk/government/news/crackdown-on-livestock-worrying-in-england-and-wales>

⁴¹ Roberts SE, Jaremin B, Lloyd K. High-risk occupations for suicide. *Psychol Med*. 2013;43(6):1231-1240.; Stark, C., Gibbs, D., Hopkins, P., Belbin, A., Hay, A., & Selvaraj, S. (2006). Suicide in farmers in Scotland.

⁴² Public Health Wales and Mental Health Foundation (2019). Supporting farming communities at times of uncertainty. An Action Framework to support the mental health and wellbeing of farmers and their families.

The Bill sets out a significant reform to agriculture policy and support through the Sustainable Land Management framework, and this may be a cause of uncertainty for the farming sector. We propose to mitigate this by designing and implementing a comprehensive communication plan which encourages stakeholder engagement from all who wish to contribute. More details of the proposed scheme were shared with stakeholders as part of the co-design process. This will contribute to greater knowledge and reduced uncertainty of the proposed scheme within the farming community. In time, the Bill will provide enhanced stability for farmers as it sets out the long-term approach for agricultural support in Wales. Specifically, “improving the resilience of agricultural businesses” is one of the purposes for support set out in the Bill, meaning that future support can be given for actions which make a positive contribution to the viability of farming in Wales. The resilience of agricultural businesses is also considered as a facet of sustainable food production in the objectives of the Bill.

In addition, there will be a managed transition between the current BPS and the proposed SFS. This means farmers will not experience sudden changes to their payments and there will be schemes to help farmers prepare for the introduction of the SFS prior to its launch.

2. Succession planning

A major review⁴³ of farm succession strategies found *“the probability of intra-family succession increases with farm performance, which was measured in annual farm revenues”* and *“family farms that pursue innovative and sustainable business strategies are expected to have a higher probability of succession because they are more attractive for the next generation”*. We have previously outlined⁴⁴ the proposed scheme should be available to all farms and should provide an important revenue stream for participating farms. This should help support farms to undertake long-term planning for their businesses. We have no evidence the SLM framework and powers of support will impact negatively on farm succession planning; indeed, the legislation is designed to promote sustainability of farming businesses as well as environmental sustainability, particularly through the purpose for support to improve the resilience of agricultural businesses, and we hope to see a positive impact on farm succession planning. As we design the future Sustainable Farming Scheme, we are exploring ways in which we can offer support to farmers with regards to succession.

3. Regulation, administration and digitalisation

The Public Health Wales report cites understanding and complying with regulation as a key challenge to maintaining good mental health and well-being of farmers and land managers. It also

⁴³ Suess-Reyes, J., & Fuetsch, E. (2016). The future of family farming: A literature review on innovative, sustainable and succession-oriented strategies. *Journal of rural studies*, 47, 117-140.

⁴⁴ Welsh Government (2019). Sustainable Farming and our Land consultation.

recommends the Welsh Government revisit the progress made following the *Working Smarter 2011* report⁴⁵.

The untimely culling of any animal, and in some cases complete depopulation of entire holdings, can have a significant detrimental impact on the mental well-being of livestock keepers, which financial compensation alone cannot address. Stress and depression are linked to such events⁴⁶, which in turn may affect physical well-being. Implementing SLM, which has high animal health and welfare as one of its purposes for future support, will reduce the risk of largescale disease outbreaks and the frequency with which the negative impacts of more severe disease control measures are experienced.

The Welsh Government, acknowledging the impact of Bovine Tuberculosis (TB) breakdowns on the mental health of farmers and farming families, introduced the Cymorth TB programme to provide Government funded veterinary support from local, specially trained private veterinarians. The Welsh Government also contracted the Farming Community Network (FCN) to deliver bespoke Mental Health and Farmer Welfare support for those effected by TB. More recently there has been cross-divisional collaborative work undertaken within Welsh Government to support the development of a third sector group which includes FCN, Tir Dewi, the Daniel Picton-Jones Foundation and Mind Cymru. We intend to continue to make sure future support will help farmers understand how to access mental health and welfare support.

4. *Farmer's prioritising their own health*

Regarding the impact of participation in an agri-environment scheme on farmers' mental health, evidence⁴⁷ suggests “...*the self-reported mental health of farmers adopting agri-environmental schemes in Wales was significantly better than non-adopters. Although correlation was shown, rather than causation, interpretation of the results suggest that poor mental health of farmers may be one cause of non-adoption of agri-environment schemes.*” It should be noted the correlation could go both ways; it may indicate that farmers with better mental health are more likely to participate in agri-environment schemes, rather than these schemes leading to improved mental health. It is evident, however, that the two are linked, and as such, as we design the proposed SFS we will be considering the causes of non-adoption in previous schemes to reduce barriers to entry to the new scheme.

5. *Isolation and loneliness (detailed above under 'Social and community influences);*

6. *The underlying culture and expectations in farming*

⁴⁵ Welsh Government (2012). Written Statement - Welsh Government Response to 'Working Smarter' – a report of recommendations to the Welsh Government on better regulation in farming.

⁴⁶ Institute of Rural Health and University of Glamorgan (2003). Report to the Welsh Assembly Government: The impact of the foot and mouth outbreak on mental health and well-being in Wales.

⁴⁷ Hounscome, B., Edwards, R. T., & Edwards-Jones, G. (2006). A note on the effect of farmer mental health on adoption: The case of agri-environment schemes. *Agricultural Systems*, 91(3), 229-241.

The PHW report describes a culture of self-reliance in agriculture, with farmers expected to ‘just get on with it’ and not allow themselves to fail. It is no surprise that such a culture and the pressures that accompany it were highlighted as a key challenge in addressing farmers’ mental health. The report proposes “Prevention by supporting a cultural shift to seek advice and value health”.

The powers of support will enable delivery of the proposed Sustainable Farming Scheme, which will include an advisory and support service, and opportunities for Continuous Professional Development, building on the work of the current Farming Connect programme. The recent SQW evaluation of Farming Connect (Hindle, 2021) found it appears to have made the most difference in influencing farmers’ personal development, particularly in strengthening confidence and ambition, and creating the “foundations” for change. This has influenced business management and decision-making processes alongside improved technical skills.

Engagement with stakeholders has highlighted a desire for the proposed SFS to facilitate peer-to-peer support, advice, and training. This could encourage farmers to support one another in implementing SLM.

In addition, we recognise that in implementing SLM, farmers may experience challenges, unexpected consequences, or even find that actions they take may be unsuccessful in their particular circumstances. The SFS will seek to support farmers to overcome and rectify any problems, rather than penalising unforeseen failures.

Living/environmental conditions affecting health

The Bill sets Sustainable Land Management as the future policy framework for agriculture in Wales, and the strategic objectives of the Bill include the mitigation of and adaption to climate change, and the maintenance and enhancement of ecosystem resilience. Future support, for which the Bill provides powers, will encourage actions which contribute to better air quality (in particular through reductions in ammonia), reduced flood risk, and reversing the decline in biodiversity, and the Bill should therefore contribute to better physical and mental health outcomes in the general population.

The purposes for support will have the potential to directly impact public health. The most significant of these are:

1. *Improving air quality and Reducing emissions of greenhouse gasses;*
2. *Improving water quality and Mitigating flood and drought risks;*
3. *Maintaining and enhancing public access to and engagement with the countryside and the historic environment;*
4. *Achieving and promoting high standards of animal health and welfare.*

We consider each of these below.

1. *Improving air quality and Reducing emissions of greenhouse gasses;*

Each year in Wales, the equivalent of 1,604 (5.4%) deaths can be attributed to PM_{2.5} (particulate matter) exposure, and the equivalent of 1,108 deaths to NO₂ (nitrogen dioxide) exposure⁴⁸. National air quality objectives have been set out for the UK based on European Directive limit and target values for the protection of human health. The detail of these is set out in evidence from our Environment and Rural Affairs Monitoring and Modelling Programme (ERAMMP)⁴⁹.

Public Health Wales⁵⁰ notes the air pollutants of greatest public health concern are PM_{2.5} and NO₂. Air pollution, combined with other aspects of the social and physical environment, creates an inequitable disease burden on more deprived parts of society. Public Health Wales notes most local air pollution problems are caused by emissions from road vehicles, however, other sources also influence air quality such as industrial, agricultural and residential/domestic sources.

Pollution from agriculture has the potential to severely impact physical health through the emission of pollutants such as ammonia or nitrous oxides. Air pollution can travel substantial distances, and so a reduction in pollution in rural areas has the potential to positively impact both rural and urban communities across Wales. Since 2005, ammonia emissions from the sector have not seen significant reductions at a UK level; indeed, ammonia emissions from fertiliser and digestate were higher in 2019 than in 2005⁵¹.

The Welsh Government consultation on the *Clean Air Plan for Wales*⁵² notes the following in particular:

- **Ammonia (NH₃)** is a colourless gas with a strong odour. It can also form secondary particulate matter through reactions in the atmosphere, travelling large distances and depositing on land and increasing background levels. Its source is mainly agriculture e.g. storage and spreading of manures, slurries and fertilisers. Ammonia is directly harmful to human health.
- **Non-methane volatile organic compounds (NMVOCs)** comprise a large group of organic chemical compounds, excluding methane. One source of NMVOCs is agriculture e.g. fertiliser application, field-burning of agricultural waste. NMVOCs are harmful to human health, some have direct toxic effects and others can worsen respiratory and cardiovascular illnesses.

Ammonia also causes the formation of particulate matter, PM_{2.5}, another harmful pollutant. The Welsh Government *Clean Air Plan* consultation states our ambition on PM_{2.5}: “We want concentrations across Wales to be below the WHO guideline for PM_{2.5} where it is possible, and

⁴⁸ Health effects of air pollution: <https://airquality.gov.wales/about-air-quality/health-advice>

⁴⁹ Jones, L. et al. (2019). Annex 8: Improving Air Quality and well-being. ERAMMP Report to Welsh Government (Contract C210/2016/2017) (CEH NEC06297). See pages 12-14.

⁵⁰ Public Health Wales and Wales Health Impact Assessment Support Unit (2019). The Public Health Implications of Brexit Technical Annex 2.

⁵¹ National Atmospheric Emissions Inventory, ‘Ammonia emissions from agriculture’.

⁵² Welsh Government (2019). The Clean Air Plan for Wales. Healthy Air, Healthy Wales.

lower still where there is sufficient potential and there is high public exposure or risk to sensitive groups. Our aim is to put this ambition into Welsh law”.

The consultation document notes poor air quality can have a disproportionate impact on the health and well-being of children, older, poor, and vulnerable people. Reduction of air pollution will have a direct and significant impact on improving human health and welfare for everyone.

Evidence from ERAMMP also notes *“Atmospheric ammonia (NH₃) is a primary pollutant emitted by agricultural activities and, to a lesser extent by processing of organic materials (e.g. anaerobic digestion), transport and industry. The main sources of ammonia from agriculture are (in roughly descending order) manure spreading, animal housing, manure storage, grazing livestock and fertiliser application (especially urea and urea-ammonium nitrate)”.*

Clean air and clean water are two of the purposes for support which will meet the strategic objectives of SLM. Our proposals for the future SFS would support farmers to specifically address ammonia emissions, for example by changes to the way slurry is housed and spread.

Appropriately sited woodland planting also has the potential to intercept ammonia emissions. The scheme will build on the Water Resources (Control of Agricultural Pollution) (Wales) Regulations 2021 by further incentivising actions to lower the risk of diffuse pollution from farms. Implementing SLM will have benefits for soil, air, and water quality through a reduction in pollution, which in turn should lead to an improvement in the health outcomes of the general public.

2. Improving water quality and Mitigating flood and drought risks

Mitigating flood and drought risks is set as a purpose for support in the Bill. It is therefore expected that the Bill, and future schemes, will contribute to a reduction in flood risk. Improving soil health and structure, together with increasing soil organic matter, will allow more rapid infiltration of surface water and its retention within the soil for longer periods of time than would otherwise be the case. Correctly sited agroforestry also has the potential to increase infiltration to greater soil depth and reduce flood risk.

Improving water quality is also set as a purpose for support but, in many cases, improvements in water quality may also be delivered through support for other purposes. Soil quality improvements resulting from the delivery of SLM contribute to improved water quality, while reduction of emissions will also contribute to cleaner water as discussed above. Water pollution entering river catchments from agriculture travel downstream, and so reducing emissions will have positive benefits in urban areas as well as rural ones.

Overall, the SLM objectives are designed to lead to a reduction in the risk to the public from flooding and drought, and an increase in water quality, which should contribute to positive physical and mental health outcomes.

3. Maintaining and enhancing public access to and engagement with the countryside and the historic environment .

As described above, maintaining and enhancing public access to and engagement with the countryside and historic environment is set as a purpose for support in the Bill. This will enable future schemes, including the proposed SFS, to provide support for the upgrading and maintenance of existing pathways, and the improvement of the existing environment. This should

enable greater levels of recreation in the form of walking in, and enjoyment of, the Welsh countryside by the people of Wales and visitors to Wales.

4. Achieving and promoting high standards of animal health and welfare

Information regarding how improved animal health and welfare can have positive impacts on human health are detailed above in the *Lifestyles (Diet and Public Health)* section.

Economic conditions affecting health

The economic impact of SLM and future support on farm businesses in Wales will be key to determining whether there will be any impacts on unemployment, income, and the associated socio-economic and health factors. The Welsh Government has committed to undertaking an economic analysis of the proposed Sustainable Farming Scheme, which will consider the upstream and downstream impacts of final proposals. Following consultation in 2023, the scheme proposals will be reviewed, and the economic analysis updated.

Access and quality of services

We do not anticipate the Bill will have an impact on the access and quality of services.

Macroeconomic, environmental and sustainability factors

SLM and future support

Biodiversity

A 2003 review⁵³ of the impact of biodiversity on quality of life specifically considered physical and mental health. It noted many studies on the importance of nature for well-being do not distinguish well between biodiversity-rich natural surroundings and more formal green spaces, or indeed cultural influences derived from a sense of place. The overall conclusion from the medical evidence reviewed is *“the weight of evidence shows that contact with nature is good for you”*.

Similarly, a 2005 review⁵⁴ concluded *“...nature plays a vital role in human health and wellbeing, and that parks and nature reserves play a significant role by providing access to nature for individuals. Implications suggest contact with nature may provide an effective population-wide strategy in prevention of mental ill health, with potential application for subpopulations, communities and individuals at higher risk of ill health”*.

SLM and the powers of support have been designed to align with the Welsh Government's commitment to maintain and enhance biodiversity in the exercise of functions in relation to Wales, as set out in the Environment (Wales) Act 2016. The Bill sets maintaining and enhancing ecosystem resilience as one the SLM objectives. This will ensure biodiversity is embedded in all

⁵³ Lees, S., & Evans, P. (2003). *Biodiversity's Contribution to the Quality of Life: A Research Report for English Nature*. English Nature.

⁵⁴ Maller, C., Townsend, M., Pryor, A., Brown, P., & St Leger, L. (2006). Healthy nature healthy people': contact with nature as an upstream health promotion intervention for populations. *Health promotion international*, 21(1), 45-54.

future support and policy for agriculture and should enable and enhance the ability of Welsh land to continue to deliver the health benefits outlined in the evidence above. Please see the Biodiversity Impact Assessment for further details of the expected impacts.

Climate

The Welsh Government Programme for Government (2021) sets out, as key wellbeing objectives, the need to “*Embed our response to the climate and nature emergency in everything we do*” and “*Build a stronger, greener economy as we make maximum progress towards decarbonisation.*” In addition, the Bill sets the objective to mitigate and adapt to climate change. Reducing farms’ carbon footprint to as close to zero as possible and increasing woodland cover in Wales will contribute to these objectives and in turn, have positive effects on the health and wellbeing of the people of Wales. The purposes for support, such as to reduce greenhouse gas emissions, reflect these ambitions. The UKCCC report⁵⁵ highlights the co-benefits of reducing emissions, including improved health from increased air quality and improvements in flood alleviation.

As the climate changes, the environment, biodiversity needs and the biological ecosystem will also all change. SLM and the powers of support are designed to meet the Programme for Government objectives but will also enable the Welsh Government to respond to these changes in order for farms to remain resilient.

2.5b. Could there be a differential health impact on particular groups?

We will consider the following categories:

- Age related groups
- Income related groups
- Groups who suffer discrimination or other social disadvantage
- Geographical groups

In addition, the potential impact on the mental health of farmers is discussed extensively in the *Mental Well-being* section of question 2.5a.

Age related groups

SLM and the powers of support will apply equally to all farmers and the future SFS is being designed to be accessible to all eligible farmers, regardless of age. Detail on the impacts of the Bill, including in relation to health, on different age groups can be found in the Equality Impact Assessment (Annex B).

Succession planning can be a source of anxiety for farmers and will likely have a more acute negative impact on the mental health of older farmers nearing retirement. Increased sustainability of farming businesses may have a positive impact by relieving mental health pressures if the future schemes funded under the powers of support, including the SFS, results in more successful succession planning, and this would be felt more keenly by older farmers.

⁵⁵ UK Climate Change Committee (2020) *Land Use Policies for a Net Zero UK*

With regard to the population more generally, research demonstrates children and older people are more vulnerable to the negative effects of air pollution exposure⁵⁶. SLM is explicitly designed with the objective of responding to the climate emergency, with the purposes for support, such as cleaner air and reducing greenhouse gas emissions, designed to achieve this objective. It is expected that, due to their increased vulnerability, children and older people will see the greatest health benefits from this.

Income related groups

The primary impacts of SLM and future support with relation to income related groups will concern farming households. Research into Small and Very Small farms in Wales (which account for 87% of Welsh farms) shows farm economic size does not necessarily predict household income for the majority of farms in Wales⁵⁷. Very Small farms were more likely to have a household income of £10,000 to £29,999, while Small farms were more likely to have a household income between £50,000 and £69,999, though neither of these results were statistically significant in the research. Overall, the vast majority (82%) of Small and Very Small Welsh farms will have a household income between £10,000 and £69,999.

In contrast to the current system of funding, future schemes, including the proposed SFS will be able to financially support farmers in line with the purposes for support and the delivery of these outcomes. It is not expected at this stage that the enabling powers for the SLM framework and future support will have a differential impact on income related groups. The Welsh Government has committed to undertaking an economic analysis of the proposed SFS, which will consider the impacts of final proposals. Following consultation in 2023, the scheme proposals will be reviewed, and the economic analysis updated.

Groups who suffer discrimination or other social disadvantage

We do not anticipate that SLM and the powers of support will impact specifically on the health of groups who suffer discrimination or other social disadvantage, other than the health benefits for the general population we have described above. Further information regarding the impacts of the Bill on those who suffer socio-economic disadvantage, please see the Socio-Economic Duty Impact Assessment, and for impacts on those possessing Protected Characteristics as set out in the UK Equality Act 2010, please see the Equality Impact Assessment.

Geographical groups

No specific disproportionate impacts have been identified for the impact of the health of geographical groups. As described in our Equality Impact Assessment, the highest proportions of people aged 50 and over are found in rural areas in Wales such as Powys, Ceredigion, and Gwynedd. Whilst there are health impacts for older people living in rural areas, they are focussed

⁵⁶ Fann N., Roman H., Fulcher C. et al. (2011). Maximising health benefits and minimizing inequality: incorporating local-scale data in the design and evaluation of air quality policies. *Risk Anal*; 31(6):908-22.

⁵⁷ <https://gov.wales/sites/default/files/publications/2021-08/understanding-farmer-motivations-very-small-small-farms-full-report.pdf>. Please refer to section 5 of the document for further information on farm characteristics among respondents, including ownership and farm type.

on the delivery of key health, social services, and transport issues. We have no evidence the Bill will impact negatively on the well-being of older people in rural areas.

2.6 Privacy

Will the proposal involve processing information that could be used to identify individuals?

The Bill will enable the processing of personal information. Please see the Data Protection Impact Assessment.

SECTION 3. WHAT WILL BE THE EFFECT ON CULTURAL WELL-BEING AND THE WELSH LANGUAGE?

3.1 Cultural Well-being

The Well-being of Future Generations (Wales) Act 2015's goal for culture is 'A society that promotes and protects culture, heritage and the Welsh language and which encourages people to participate in the arts and sports and recreation'. Culture includes museums, archives, libraries and the arts; heritage includes the built historic environment as well as intangible heritage such as traditions; arts encompasses performance and creative sectors including music, literature, theatre and art, whilst sports and recreation include both elite and community sports as well as opportunities to participate in wider outdoor recreation.

3.1a How can the proposal actively contribute to the goal to promote and protect culture and heritage and encourage people to participate in the arts sports and recreation? (for Welsh Language see section 3.2)

Sustainable Land Management (SLM) and future support

Welsh culture and heritage is intricately linked to the landscape and natural environment. The Welsh Government's *Light Springs through the Dark: A Vision for Culture in Wales* emphasises the importance of the Welsh landscape in framing and inspiring much of the cultural output in Wales. An integral part of this relationship is agriculture; an estimated 90% percent of Welsh land is devoted to agriculture⁵⁸.

The Area Statements developed by Natural Resources Wales⁵⁹ demonstrate this relationship between landscapes, culture, and heritage in Wales. For instance, the reclaimed agricultural land of the Gwent levels (South East Area Statement) is not only of historical and archaeological importance, but is also an important habitat for many species. Likewise, the North East Area Statement demonstrates how the history of Wales is embedded in the landscape through the medieval field systems of the Clwydian Range and Dee Valley.

The Bill sets SLM as the future policy framework for agriculture in Wales and has four objectives which Ministers will need to consider. The fourth of these is to “conserve and enhance the countryside and cultural resources and promote public access to and engagement with them, and to sustain the Welsh language and promote and facilitate its use”. Therefore, culture and heritage, including the Welsh language, are considered as a key aspect of the future of farming in Wales, alongside the objectives relating to food production, climate change, and ecosystem resilience. In addition, the powers for future support will enable Ministers to directly support action under the purposes, including maintaining and enhancing public access to and engagement with the

⁵⁸ Either through farmland or commons. <https://gov.wales/sites/default/files/statistics-and-research/2020-12/survey-agriculture-and-horticulture-june-2020-932.pdf>

⁵⁹ Natural Resources Wales. Area Statements. <https://naturalresources.wales/about-us/area-statements/?lang=en>

countryside and the historic environment, and sustaining the Welsh language and promoting and facilitating its use. According to the Chartered Institute for Archaeologists⁶⁰, “Over 80% of archaeological heritage assets in Wales are located on agricultural land”. Any landscape changes must not be to the detriment of heritage assets and the historic environment; SLM requires government and farmers to consider the landscape holistically in order to meet the strategic objectives set out in the Bill. Although landscape change is inevitable over time through natural processes, change brought about by SLM practices should not undermine the cultural value derived from individual features or the context provided by their surrounding landscape.

The Bill will protect and enhance culture and heritage in four ways:

1. Supporting sustainable and resilient farm businesses will help to ensure Welsh farms and land remain a keystone of Welsh culture for current and future generations.
2. Heritage includes “traditions” and traditional landscape features (e.g. hedgerows). Evidence from ERAMMP reveals many SLM practices are consistent with what are considered to be “traditional” farming practices. In this sense, SLM will promote and protect the heritage represented by traditional farming practice and features.
3. Many of Wales’ heritage sites are found on agricultural land, and the landscape itself is of cultural and heritage importance. We are continuing to develop the future Sustainable Farming Scheme (SFS), and this will contain specific actions related to the protection, maintenance, and improvement of the condition of the historical features on farmland.
4. The Bill will enable the direct support of actions which preserve and enhance our culture and heritage, including the Welsh language, in line with the objectives.

More detail regarding the way SLM and the powers of support are expected to promote and protect our natural environment and countryside, and therefore cultural heritage, is included in the Biodiversity Impact Assessment of the Bill. The Welsh Language Impact Assessment deals in full with the impacts of the Bill on this particular aspect of Welsh culture.

We have no evidence the Bill will affect, positively or negatively, the participation of people in the arts or in sport.

In terms of recreation, however, as detailed in our Health Impact Assessment (Section 2), SLM and the powers of support are expected to enable moderate benefits to the health of the people of Wales. Enhanced access and engagement is one of the purposes for support set out in the Bill, which will enable support for increased opportunities for access to, and enjoyment of, the countryside. In turn this will contribute to better physical and mental health outcomes for the general population as well as increased awareness and enjoyment of heritage assets and the historic environment.

Tenancies

We expect the provisions to have a small positive impact on people and communities by facilitating compliance with statutory duties and entry to the proposed Sustainable Farming Scheme for agricultural tenants who may otherwise have been restricted by clauses written into their leases

⁶⁰ https://www.archaeologists.net/advocacy/toolkit/Agriculture_wales_campaign

several years ago. The cultural well-being impacts described above will arise as a result of scheme participation.

Marketing Standards

The provisions are likely to have a low impact on culture and heritage and no impact on arts, sports or recreation. There is potential for subordinate legislation to support the production and sale of Welsh food and other goods made from agricultural products, which form part of Wales' culture and heritage.

An example of this is in the existing specific marketing standards for fruit and vegetables, where the country of origin and name and address of the grower is listed on packaging.⁶¹ People take pride in buying local produce or produce of a particular provenance, which has an impact on the culture surrounding food. Consumers are more mindful of food air miles when they see on packaging that a product with specific marketing standards has come from the other side of the world and may be influenced to buy more produce grown closer to home. This is in contrast, for example, to a processed product which may be made of ingredients originating in several countries, and thus have more air miles, but without the requirement to list the countries of origin due to the complexity of doing so. In this way, marketing standards legislation has an impact on food culture.

The use of Geographical Indications (GI) by key Welsh products has also been instrumental in establishing a sense of place within the Welsh Food & Drink Industry. The family of Welsh GI products continues to grow, and the GI marketing standards applied to these products will continue to assist in promoting the heritage of Wales and act as a key export tool.

Intervention in Agricultural Markets

The provisions could have an indirect effect on culture and heritage, but little to no impact on arts, sports and recreation. Market intervention measures are intended to prevent widespread business failure caused by large-scale market disruption. Preventing the closure of large numbers of farms at the same time would preserve the culture and heritage that comes from farming in Wales. This includes farming methods and landscape management, as well as the dialects and sector-specific terminology of the Welsh language used by farmers and their families.

3.1b Is it possible that the proposal might have a negative effect on the promotion and protection of culture and heritage, or the ability of people to participate in arts, sport and recreation? If so, what action can you take to avoid or reduce that effect (for example by providing alternative opportunities)?

We have no evidence the Bill might have a negative effect on the promotion and protection of culture and heritage, or the ability of people to participate in arts, sport and recreation. The

⁶¹ Commission Implementing Regulation (EU) No 543/2011 of 7 June 2011 laying down detailed rules for the application of Council Regulation (EC) No 1234/2007 in respect of the fruit and vegetables and processed fruit and vegetables sectors (legislation.gov.uk), Annex 1, Part A, Section 4

strategic objectives in the Bill and purposes for support are designed to positively impact these things by setting SLM as the future policy framework for agriculture in Wales.

Wales has a rich agricultural heritage and farms are of cultural importance to many communities in Wales. The Bill is designed to support the resilience of these businesses and therefore rural communities; purposes for future support include helping rural communities to thrive and improving the resilience of agricultural businesses. We set out further detail in our Rural Proofing Impact Assessment.

3.2 Welsh Language

Please see Annex E for the Welsh Language Impact Assessment of the Bill.

SECTION 4. WHAT WILL BE THE EFFECT ON ECONOMIC WELL-BEING?

Supporting growth in the Welsh economy, and through this tackling poverty, is at the heart of the Welsh Government's Programme for Government.

4.1 Business, the general public and individuals

How (either positively or negatively), and to what extent (significant/moderate/minimal impact), will the proposal impact business and the public?

Farm and land management businesses

Sustainable Land Management (SLM)

SLM is intended to have a positive impact on farm businesses and support a resilient sector now and over the long term. Ministers must consider how best to contribute to achieving the SLM objectives when providing support to agriculture. Doing so will enable sustainable food production, and resilient rural communities and economies, whilst meeting the challenges of the climate and nature emergencies.

The Bill includes a requirement for ministers to produce a multi-annual support plan every five years. While the multi-annual support plans will not provide financial projections, they will act as a vehicle to provide assurance and transparency to the agriculture sector of the Welsh Government's plans to provide support to and across the sector within the plan period.

Future Support

Adopting SLM as the overarching framework for future agricultural support is expected to have a positive impact on farm businesses. The purposes for support aim to maintain and enhance the economic, environmental, and social sustainability of farm businesses in Wales. In many cases, the support of these purposes through on-farm actions could increase the productivity of the sector whilst reducing costs.

Reducing emissions of greenhouse gases can be achieved through actions such as the use of low emission spreading. Using low emission technology can increase grass growth but also lower use of fertiliser due to increased efficiency in nitrogen uptake, therefore benefitting the farm business. Future schemes, including the proposed Sustainable Farming Scheme (SFS), will have the power to support farmers to adopt actions such as low emission spreading in order to deliver this purpose which will positively benefit their businesses.

Maximising carbon sequestration and storage can be achieved through actions such as tree and hedgerow planting. Embedding trees into the farm landscape can help to prevent soil erosion, preserving and enhancing the soil capacity upon which the sustainable production of food relies.

Increasing the resilience of ecosystems will help safeguard and enhance the flow of resources which come from the natural environment, enable the continued production of sustainable food and

the functioning of farm businesses. The World Economic Forum has identified biodiversity loss as a key threat to global economic prosperity⁶². For example, pollination is a key ecosystem service to global agriculture, enhancing production in around 75% of global crop species⁶³. Demand for pollinator-dependent crops has continued to rise⁶⁴ and there is growing international concern over the impact of pollinator losses on food production⁶⁵. Within the UK, pollinator populations declined in occupancy by approximately 25% between 1980 and 2013⁶⁶, driven particularly by reduced occurrence of rare species. Declining pollinator populations have been linked with disruptions to plant-pollinator networks and crop pollination deficits have already been recorded⁶⁷. Future schemes, including the SFS, will have the power to provide support to farm businesses to increase ecosystem resilience through maintenance and creation of habitats and boundary features such as wildlife corridors and flower rich margins. This will contribute to the continued sustainable production of food through supporting pollinator populations.

Protected natural landscapes and historic environment. The rural landscapes, protected areas and historic environment of Wales are places of natural beauty, an important part of our heritage and deliver economic, social, and environmental benefits across Wales. Farms operating in protected landscapes, or with historic features on their land, may face challenging conditions which influence the way they are able to farm. Support under this purpose will equip farm businesses to maintain and enhance the countryside for future generations. Protecting these areas and features of the rural environment will help support the resilience of rural communities and businesses through the continued provision of ecosystem services and tourism benefits.

Improving air quality. On-farm actions to improve air quality can also reduce costs for the farm business. Nutrient management planning ensures the correct quantities of nutrient are applied at the right times which can reduce the overall quantity used. This reduces emissions like ammonia (NH₄) and nitrous oxide (N₂O), therefore improving air quality, but also reduces costs for the business by improving efficiency of nitrogen (N) use. Future schemes, including the SFS, will be able to support farms to undertake nutrient management planning, including soil testing, to help ensure inputs are matched to crop needs.

⁶² World Economic Forum. The Global Risks Report 2020. http://www3.weforum.org/docs/WEF_Global_Risk_Report_2020.pdf (2020)

⁶³ Potts, S.G., et al. "The assessment report of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services on pollinators, pollination and food production." (2016). https://nora.nerc.ac.uk/id/eprint/519227/1/individual_chapters_pollination_20170305.pdf

⁶⁴ Aizen, M. A., et al. "Global agricultural productivity is threatened by increasing pollinator dependence without a parallel increase in crop diversification." *Global Change Biology* 25.10 (2019): 3516-3527. <https://onlinelibrary.wiley.com/doi/full/10.1111/gcb.14736>

⁶⁵ Potts, S. G., et al. "The assessment report of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services on pollinators, pollination and food production." (2016).

⁶⁶ Powney, G. D., et al. "Widespread losses of pollinating insects in Britain." *Nature communications* 10.1 (2019): 1-6. <https://www.nature.com/articles/s41467-019-08974-9>

⁶⁷ Garratt, M.P., et al. "Avoiding a bad apple: Insect pollination enhances fruit quality and economic value." *Agriculture, ecosystems & environment* 184 (2014): 34-40. <https://www.sciencedirect.com/science/article/pii/S0167880913003848>

Improving water quality. Water quality can also be improved through nutrient management techniques, bringing a cost saving to the business through reduced loss of nutrients to the environment. Sward management and cover cropping can increase the ability of soil to retain nutrients, reducing run-off, and also help maintain the productive capacity of the soil through improved soil health. Support for action under this purpose is expected to have positive impacts on farm businesses.

Enhanced access and engagement. Walking as an activity generates £562m of additional demand in the Welsh economy, £275m of Gross Value Added (GVA) and around 11,980 person-years of employment. A report evaluating the benefits to business of the Wales Coast Path⁶⁸ found that more than 5,400 tourism-related businesses are well placed to derive benefit from those already using the path and the increasing numbers expected to do so in the future. For those farm businesses with tourism-based diversification, increased footfall has the potential to positively impact the farm business. Support for actions under this purpose will enable farms to receive payment to increase and improve public access and engagement with the rural environment.

Enhanced access and engagement can also offer economic benefits to rural businesses through tourism. The quality of the Welsh countryside and landscape of Wales has been identified as a key motivation for visitors – over half of UK day visitors (52%) and almost four fifths (79%) of staying visitors to Wales listed the landscape as a reason for visiting in 2019⁶⁹. The Wales Visitor Survey 2019 reveals that UK day visitors, UK staying visitors, and overseas visitors were highly satisfied with their trip to Wales. The quality of the natural environment received the highest average score of all specific dimensions evaluated for staying and day visitors, with 78% and 69% of respondents respectively reporting that they were ‘very satisfied’ with the natural environment. For overseas visitors, 74% reported feeling ‘very satisfied’ with the quality of the natural environment, second only to the feeling of welcome (75% were ‘very satisfied’). Walking was the most popular activity among staying visitors to Wales who came to take part in outdoor activities, with 80% reporting having walked over two miles during their stay.

Resource efficiency. The use of resources affects the economic and environmental performance of farm businesses. Keeping resources and materials in use for as long possible will offer cost savings to the farm business but also enable the sustainable production of food by maintaining the resources agriculture relies upon, such as soil and water. Increasing resource efficiency is therefore expected to have positive economic effects on farms.

High animal health and welfare. The economic cost of responding to a disease outbreak weighs heavily on animal keepers, Government and the taxpayer. The cost to Welsh Government of the 2001 foot and mouth disease outbreak was £102 million, with the average cleansing and disinfection cost of each affected holding in Wales estimated to be £38,000. With all trade stopped, the financial impact on businesses was considerable, with exports accounting for 40% of all Welsh lamb and sheep production pre-outbreak. Research commissioned jointly by Defra and Welsh

⁶⁸ <https://walescoastpathcdn-01.azureedge.net/media/1325/evaluating-the-benefits-to-business-of-the-wales-coast-path.pdf?rnd=132064934010000000>

⁶⁹ <https://gov.wales/wales-visitor-survey-2019>

Government to estimate the economic cost of bovine TB incidents on cattle farms in the High Risk and Edge Areas of England and Wales was published on 28 August 2020. The estimated average cost of a bovine TB breakdown is £34,000. Of this, it is estimated £20,000 is borne by the Government, mainly as compensation for animals compulsorily slaughtered and the costs of testing. The remaining £14,000 falls to the farmer as a result of the loss of animals, on-farm costs of testing, and business disruption because of movement restrictions. SLM will allow support to prevent, control and eliminate animal diseases through the 'achieving and promoting high standards of animal health and welfare' purpose for support, which will have a positive economic impact on livestock keepers and their businesses.

Mitigating flood and drought risks. Extreme weather events such as floods and drought can have severe economic costs for farm businesses. Climate predictions suggest periods of drought and flood are likely to become more frequent.

Prolonged droughts cause crop failures, reduce feed supplies, and can cause heat stress in livestock. These impacts bring severe economic consequences for farm businesses. For example, the 1995 drought affecting Wales and England was estimated to cost the industry £290 million⁷⁰. Actions on farm to increase resilience against these events can therefore have a positive effect on the farm business. Sward diversification using deep rooting plants can help ensure grass availability during times of low rainfall, shelterbelts and trees can provide shade for livestock, and collecting rainwater can help ensure a continued supply of water.

Floods can cause a variety of issues for farms, including soil contamination, crop failure, stock loss or injury, increased risk of diseases, and damage to or loss of homes, assets and infrastructure. All of these impacts have a negative impact on farm business economics both in the short and longer term. The floods affecting England and Wales in 2000 were estimated to cost the industry £603 million⁷¹, whilst the floods of Dec 2013-March 2014 were estimated to have caused £19 million of damage (England and Wales)⁷². Under this purpose, actions to reduce the flow of water, such as restoration of upland habitats (including peatland) and floodplain woodland, could be supported and therefore provide an economic benefit to the farm business both through payment to undertake actions and the long-term reduction in damage from flood. Incentivisation to collaborate at a landscape scale would be particularly beneficial for this purpose.

⁷⁰ Defra, UK - Science Search

<http://sciencesearch.defra.gov.uk/Default.aspx?Menu=Menu&Module=More&Location=None&Completed=0&ProjectID=18670>

⁷¹ Defra, UK - Science Search

<http://sciencesearch.defra.gov.uk/Default.aspx?Menu=Menu&Module=More&Location=None&Completed=0&ProjectID=18670>

⁷²

https://assets.publishing.service.gov.uk/media/603549118fa8f5480a5386be/The_costs_and_impacts_of_the_winter_2013_to_2014_floods_-_report.pdf

A Forest Research⁷³ study estimated the total value of flood storage provided by all woodland, and trees (outside of woodland), in Wales to be £82.5m a year compared with bare soil, and £34.4m compared with grassland. This demonstrates the potential economic value of additional trees for flood prevention. However, only 3% of trees in Wales are on floodplains, compared with 4.4% in England.

Producing food in a sustainable manner. It is a key principle of the Bill to support farmers to remain on their land and continue in their role as food producers. The purposes for support will encourage the increased sustainability of food production, both in environmental and economic terms. Many actions that could be undertaken on farms to increase sustainability will also generate cost savings.

Helping rural communities to thrive and strengthening links between agricultural businesses and their communities. Actions taken under this purpose would seek to diversify and strengthen farm businesses in such a way that business, economic and employment benefits are felt in the areas local to the farm and across Wales. The purpose would encourage the support of innovative practices that are designed to re-invigorate farm businesses as well as creating opportunities in rural communities. The effect this could have on encouraging new and novel businesses could create more opportunities and employment in rural areas, particularly for younger people. Farm businesses which have diversified are also likely to be more resilient to future challenges.

Improving the resilience of agricultural businesses. Resilient farms are better placed to act and react to changes in the environment or market within which they operate. Resilient farm businesses will also be able to provide reliable long-term employment and opportunities to provide subsidiary services, where skills and experience are valued.

Businesses that are resilient and adaptive are more likely to thrive and survive shocks to the sector such as those caused by pandemics, conflict, supply chain issues and climate change.

Thriving agricultural businesses are more likely to stay on the land contributing to thriving rural communities and increasing the likelihood that Welsh agricultural land is sustained for future generations.

Sustaining and the Welsh language and promoting and facilitating its use. Actions under this purpose would seek to reinforce and support the use of the Welsh language in agricultural settings, working towards both sustaining and increasing its use in multiple formats. Types of actions could include stipulations around providing bilingual materials, services, and support within agriculture more broadly, allowing Welsh-speaking farmers to conduct their business more efficiently in their preferred language.

Support could be provided for agricultural businesses to have bilingual packaging on their products, for example. Among a wider trend of demand for locally produced food in the UK⁷⁴,

⁷³ <https://cdn.forestresearch.gov.uk/2023/01/Revised-valuation-of-flood-regulation-services-of-existing-forest-cover-2023.pdf>

⁷⁴ <https://www.statista.com/statistics/1285643/percent-of-uk-consumers-planning-to-shop-local/>

research in Wales has also shown many thriving Welsh businesses use strong Welsh provenance in their branding⁷⁵. The research revealed 44% of those surveyed would pay more for Welsh produced food and drink.

Encouraging agricultural businesses to manage energy effectively. Increased energy efficiency within farm businesses and increasing the creation of renewable energy on farm would reduce costs on the business, through reducing reliance on purchased energy and overall energy costs. It is possible that the production of green energy could provide an income stream for farms, if they produce more than they use and are able to sell it.

Transition to future support

We recognise that moving from the current entitlement-based system to one based on support for delivery of SLM may impact on farm businesses differently. It is therefore important there is a managed transition between the current system of support and the proposed SFS, in order to avoid uncertainty and a sudden cessation in funding. We will be consulting on our approach to transition alongside final proposals for the Sustainable Farming Scheme in 2023.

Forestry

There are costs associated with the provision to amend the Forestry Act 1967 and the powers this introduces – the ability to add conditions to felling licences and to amend/suspend/revoke felling licences already granted. Baseline conditions are to be applied to all felling licences to bring the felling licence regime in line with other environmental legislation. The forestry sector is already required to comply with other environmental legislation so there should be no additional costs arising from baseline conditions, but it will formalise compliance within the felling licence regime.

Costs to applicants applying for felling licences have the potential to increase costs but are dependent on individual site conditions. Costs of compliance with more site-specific conditions in felling licences are unknown owing to the highly variable nature of felling licences in terms of frequency, scale, tree species, timber quality, and site specifics. However we expect these powers to be used by NRW only where necessary and to be proportionate in line with Public Law principles, the regulators' code and NRW's own Regulatory Principles.

Tenancies

We expect the tenancy provisions to have a minor positive impact on farm businesses, particularly farm businesses with tenancy agreements who may otherwise have been restricted by clauses written into their leases several years ago. There will be a time and monetary impact on those farm businesses utilising the provisions, as set out in Section 2.

Ban on the use of snares and glue traps

Although representations have, in the past, been made that restricting the use of snares may impact upon the ability of landowners, gamekeepers and farmers to tackle predation of their stock

⁷⁵ https://businesswales.gov.wales/foodanddrink/sites/foodanddrink/files/documents/value_of_welshness.pdf

(from foxes attacking lambs and gamebirds), sufficient alternative pest control measures – such as shooting with the aid of thermal imaging or lamping – are readily available and more efficient. Critically these alternatives offer better animal welfare conditions and as such are more acceptable to the public in Wales.

Some of the commercial companies responding to our consultation with key stakeholders have stated that they continue to use pest control and would not wish to see it banned, however there is little to suggest that their business would be negatively impacted from the ban because sufficient alternative control methods exist and are readily available to these companies. Indeed, some pest control companies have a self-imposed ban (for animal welfare reasons) on glue traps and utilise alternatives methods extremely effectively.

It should also be noted that there are no known manufacturers of snares or glue traps based in Wales. Both snares and glue traps are inexpensive to make ranging from £4 to £8 each and can be constructed from readily available materials and so neither are specialised products. As such the ban is not envisaged to produce any commercial impact in Wales.

A new Act to restrict the use of glue traps in England has recently been passed in Westminster and Scotland has also announced a complete ban. There are early indications that, should all governments in Great Britain proceed as planned, any barriers to banning the sale of glue traps, such as the Internal Markets Act, could be overcome and would thus extend the ban from use to possession or sale/purchase.

Marketing standards

Business is one area where these provisions will have a notable impact. A detailed cost/benefit analysis of the provisions has been carried out as part of the Regulatory Impact Assessment. This covers the costs to both the private and public sectors.

The impact on businesses and the public will depend upon the nature of subordinate legislation. It is unlikely that any legislation would be made without the objective of either increasing the ease of business or strengthening consumer confidence. It is of course possible to meet one of these objectives while having a negative impact on the other, but it is impossible at this stage to forecast which marketing standards may be changed without firm plans being made.

Intervention in agricultural markets

The provisions will have an impact on business and the public, as the continuity of Welsh Ministers' powers to launch Market Intervention provides a level of business confidence. It is likely to have an overall positive impact on businesses, as the powers are not intended to be used to prop up inefficient businesses, but rather be used when there is a crisis affecting a particular sector.

The provisions are intended for the continuity of the existing powers Welsh Ministers hold, so there is not likely to be an immediate tangible impact from the provisions being taken forward.

Other Business

SLM and future support

The resilience of agricultural businesses within the communities and local economies in which they operate is specified as a facet of sustainable food production in the objectives of the Bill. This recognises the economic benefits that agricultural businesses provide to other businesses within their communities. The Bill will enable support for wider supply chain and business resilience with the aims of:

- Improving the promotional offer for farmers' produce by enabling them to effectively evidence the sustainability of the products they produce;
- Encouraging greater market alignment;
- Identifying and overcoming barriers in the supply chain;
- Shortening supply chains for Welsh products.

Respondents to our previous consultations expressed a variety of views that reflected the importance of rural businesses and rural communities. Examples include reference to the importance of small-scale abattoirs, dairies, grain storage and food processing plants within a local setting. The powers for future support within the Bill include purposes for support to improve the resilience of agricultural business, and to strengthen links between these businesses and their communities. Support for the agricultural industry, where it enables the delivery of Sustainable Land Management, should benefit businesses in Wales.

Please see the Cost-Benefit Analysis accompanying the Bill for estimates of the costs and benefits of the provisions. As proposals for the Sustainable Farming Scheme are developed, we will be undertaking further economic analysis.

Carcass Classification

The provisions are likely to have some impact on businesses in the meat supply chain. Regulations made under the powers in the Bill would be done to either improve business efficiency or consumer confidence, so would most likely financially benefit businesses. Knowing that Welsh Ministers will continue to have the primary powers to set carcass classification standards should build public and business confidence that harmonisation of standards in this field can take place, which is a positive development.

General Public and Individuals

SLM and future support

The Bill provisions should impact positively on individuals and the general public.

Many of the positive impacts are related to health and well-being and are outlined in the Health Impact Assessment and our Equality Impact Assessment. Potential socio-economic impacts are outlined in the Socio-Economic Duty Impact Assessment. There may also be positive effects on employment, as outlined in the Natural Resources Impact assessment Section 5 under *supporting secure and stable employment*.

In particular, the following impacts on the general public are expected:

- ♦ The maintenance of Welsh food production standards will provide quality food for consumers whilst protecting the Welsh landscape and natural resources;

- ♦ Improved provision for opportunities for public access to the countryside will bring health, well-being and tourism benefits;
- ♦ The protection of landscapes and the historic environment will maintain our cultural assets for current and future generations;
- ♦ Improved air and water quality, through the delivery of SLM, will also positively impact on health and well-being.
- ♦ High animal health and welfare will contribute towards safer food, improved public health, reduced demand on health services and the need for antibiotic treatment. Animal diseases are a constant threat to the livestock sector in Wales and an outbreak can have a devastating effect on industry, rural communities, and the economy of Wales. There is also a risk of zoonotic diseases (diseases transferrable from animals to humans e.g. salmonella) which can have public health impacts. Healthy livestock kept to high standards of welfare contribute to rural communities by sustaining profitable farm businesses, supporting marketing and trade opportunities and helping farmers increase profit margins, as well as safeguarding and creating jobs.

4.2 Public Sector including local government and other public bodies

How (either positively or negatively), and to what extent (significant/moderate/minimal impact), will the proposal impact the public sector?

We expect the following elements of the Bill to have an impact on the public sector:

SLM and future support

The Bill provides powers for Ministers to provide support in connection with the SLM purposes and therefore does not consider delivery models for either the proposed SFS or other future schemes.

However, it is intended that SLM, and the powers for future support, will enable a positive impact on the public sector. For example, the reduced cost of dealing with and responding to disease outbreaks as a result of the delivery of the 'achieving and promoting high standards of animal health and welfare' purpose will benefit Government, taxpayers and animal keepers.

Natural Resources Wales (NRW) currently supports the technical delivery of Glastir schemes, particularly with Environmental Impact Assessment opinion, consents for proposals on designated sites, European Protected Species licences and felling licence applications. We will be continuing to work with NRW as our proposals for future support develop.

Please see the Cost-Benefit Analysis accompanying the Bill for an assessment of how the public sector could be impacted by SLM and the powers of support. Further assessment will be conducted for the proposed Sustainable Farming Scheme.

Forestry

The accompanying Cost-Benefit Analysis for the Bill contains estimates of potential costs to NRW from amending the Forestry Act 1967. This includes set up costs as well as on-going additional costs from implementing the provisions.

Ban on snares and glue traps

Representations covering six local authorities in Wales were received to our stakeholder consultation. Of these, two responded to state they never use glue traps and two only in extremely limited circumstances. One local authority quantified this as being far less than 1% of all pest control incidents and another had not used them in the preceding 12 months. Two local authorities responded to state they never use glue traps for vertebrates because they are considered inhumane, and therefore alternative methods of pest control are considered sufficient. To this end it is not believed the ban on glue traps will impact negatively on local authorities in Wales.

Marketing standards

Local Authorities in Wales will be affected by the provisions, due to their role in enforcing minimum marketing standards in agriculture and food products. Whereas transitioning to system where Welsh Ministers would not be able to modify marketing standards regulations would have an impact on Local Authorities, as they would not be looking to the same decision makers for guidance, the provision to maintain the status quo on the ground once powers are removed from the UK Agriculture Bill and transferred to the Agriculture (Wales) Bill will mean continuity. This continuity will apply to other public sector bodies, such as the Food Standards Agency and the Rural Payments Agency.

Carcass Classification

The public sector should feel little to no impact as a result of the provisions, but any secondary legislation will have an impact on the work of the Rural Payments Agency in their work to enforce regulations. It is unlikely that other public bodies will be affected.

Intervention in Agricultural Markets

Crisis intervention payments are made through Rural Payments Wales (RPW), a body within the Welsh Government. As a result, the only public sector body to be affected directly by the provisions for the declaration of exceptional market conditions and the establishment of crisis payments to farmers should be the Welsh Government itself.

Public Intervention and Private Storage Aid schemes have traditionally been run by the Rural Payments Agency (RPA) on behalf of the Welsh Government. The continuation of Welsh Ministers' existing powers to launch Public Intervention and Private Storage Aid schemes means that the RPA will have the same expectations of the Welsh Government in the short term in relation to the establishment and management of these schemes.

4.3 Third Sector

How (either positively or negatively), and to what extent (significant/moderate/minimal impact), will the proposal impact third sector organisations and what they do?

SLM and future support

We have engaged with third sector organisations during our three consultations on the proposals and our stakeholder groups and will continue to consult with them as our proposals develop further to help identify potential impacts, particularly with regard to proposals for the Sustainable Farming Scheme. At this stage, we do not expect the framework provisions to impact either positively or negatively on the third sector.

Ban on snares and glue traps

Several animal welfare organisations monitor and investigate the use of snares by farmers and gamekeepers in Wales. These organisations may also be involved with the rescue and rehabilitation of animals caught in snares – such as badgers or dogs and cats. With snares banned it is envisaged fewer instances of wild and companion animals being caught and in need of care will occur. This would mean a reduction in costs to such organisations in relation to veterinary fees and lengthy rehabilitation in animal rescue centres. At least one organisation may currently take prosecutions against individuals or companies suspected of using snares illegally (for example a non-target species, or by not checking snares laid as frequently as is required), and as such they may see a drop in cases if the ban acts as a deterrent in the way it is intended. Animal rescue organisations are also involved with rescue, rehabilitation, and prosecutions in relation to animals caught in glue traps although these instances are very small in number due to the inherent problems in discovering such cases.

All animal welfare organisations responding to consultation have welcomed the provision to ban snares and glue traps.

4.4 Justice Impact*Forestry*

The forestry provisions create a new offence where steps required to address a breach of condition have not been undertaken. Non-compliance with other elements not related to required steps, in notices served to enforce the new powers can result in a fine under s.17 “Penalty for felling without a licence” which is not a new offence. However, the circumstances in which the offence arises will now be broader as it will also cover those who have felled trees where their felling licence has been suspended or revoked. The level of fine under s.17 has been amended to “an unlimited fine” in line with s.24 of the Act in order to be a more effective deterrent. This level of fine is also reflected in England. Provision has been made allowing the potential for compensation where a notice served to amend, suspend or revoke a licence (irrespective of a breach of conditions or no fault) is later cancelled as a result of a successful appeal. Compensation may include depreciation in timber value and/or expenses reasonably incurred, depending on the type of notice cancelled. In line with Public Law principles and its Regulatory Principles, NRW will work with felling licence holders to agree mitigation or remedial works through amendment in order to minimise the incidence of appeals and potential compensation. A copy of the Justice Impact Identification (“JSII”) form will be made available at Bill introduction.

Tenancies

The provisions will not impact on the justice system. Any new disputes arising as a result of the provisions will be dealt by an arbitrator (appointed by RICS, CAAV or ALA) or a third party (where both parties agree) rather than through the courts or tribunals.

Snares and glue traps

The Bill will create two new offences. A person will commit an offence if they use a snare to capture or restrain any wild animal or a glue trap to capture or restrain a vertebrate. Penalties will be in line with those in the Wildlife and Countryside Act 1981 for most Part 1 offences; namely on summary conviction imprisonment for a term not longer than 6 months or an unlimited fine (see section 22(1) of the WCA). Anticipated impacts on the criminal justice system have been considered by the Ministry of Justice (MoJ). The MoJ envisages there would be minimal or nil impact on the justice system. A copy of the Justice Impact Identification (“JSII”) form will be made available at Bill introduction.

Marketing standards, Market Intervention, Carcass Classification

The provisions are bringing forward new primary legislation which will maintain the status quo; no offences will be created, removed or amended. As the changes are maintaining continuity, a full Justice System Impact Identification is not being carried out for these provisions.

SECTION 5. WHAT WILL BE THE EFFECT ON ENVIRONMENTAL WELL-BEING?

Under Section 9 of the Environment (Wales) Act 2016, the Welsh Ministers are required to prepare, publish, and implement a natural resources policy and to take all reasonable steps to implement it and to encourage others to take such steps. The Natural Resources Policy was published in August 2017.

Required for all proposals:	<ul style="list-style-type: none"> Natural Resources Policy national priorities, challenges, and opportunities 	5.1a 5.1b
Required for all proposals	<ul style="list-style-type: none"> Biodiversity 	5.2 and Annex F
Required for all proposals	<ul style="list-style-type: none"> Climate Change 	5.3
Certain plans and programmes requiring SEA under the Environmental Assessment of Plans and Programmes (Wales) Regulations 2004	<ul style="list-style-type: none"> Strategic Environmental Assessment 	5.4 and IIA Guidance
Proposals which may affect a Special Area for Conservation or a Special Protected Area (SAC/SPA):	<ul style="list-style-type: none"> Habitats Regulations Assessment 	5.5 and IIA Guidance
Certain projects relating to town and country planning; transport; agriculture; forestry; marine, land drainage; and electricity which require EIA	<ul style="list-style-type: none"> Environmental Impact Assessment 	5.6 and IIA Guidance

under the various EIA Regulations		
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5.1 Natural Resources

5.1a How will the proposal deliver one or more of the National Priorities in the Natural Resources Policy (NRP)?

The National Priorities in the NRP are:

- **Delivering nature-based solutions;**
- **Increasing renewable energy and resource efficiency; and in doing so,**
- **Taking a place based approach.**

Sustainable Land Management (SLM) and powers of support

Setting the framework of Sustainable Land Management (SLM) will help deliver on each of the three National Priorities as set out in the Natural Resources Policy.

Nature-based solutions: SLM and the powers of support aim to contribute towards healthy soil, clean air, and a resilient environment with increased biodiversity. These aims will be achieved through nature-based solutions, as the outcomes we are seeking can be delivered from changes in farm management practice. For example, incorporating trees into the farming system should help to reduce flood risk, and restoration of peat bogs and increasing organic matter in improved agricultural land will contribute towards decarbonisation. The Bill will provide the powers for Ministers to support these activities under the purposes for support.

Increasing resource efficiency: The Bill sets increasing resource efficiency as one of the purposes for which Ministers can provide support.

Increased resource efficiency on farm can be achieved through measuring and improving performance, which in turn helps minimise use of inputs and reduces overhead costs.

This efficiency not only positively influences farm profit but has positive environmental benefits. Becoming more efficient means the farm works well within its environment and makes the best use of the natural resources available to it. For example, many actions taken to improve greenhouse gas (GHG) emissions intensity will also have a positive impact on financial performance. Higher-performing farms are also more resilient to change and, by making best use of natural resources, are more likely to be able to deliver the SLM purposes.

The Bill will mean that future schemes, including the proposed Sustainable Farming Scheme (SFS), will be able to support farms to understand their costs and identify where improvements can be made, including the use of renewable energy, to increase efficiency and sustainability.

In addition, the Bill includes a purpose to support agricultural businesses to manage energy effectively. Improved energy efficiency is expected to lead to cost savings for agricultural businesses and helps to reduce overall pressure on the national energy supply.

Place based approach: The SLM framework will support a place-based approach to future agricultural policy. SLM intends to support farming in a way which works with nature, helps tackle the climate and nature emergencies, supports vibrant rural communities as well enabling and supporting the sustainable production of food. The purposes for support identify the outcomes we are seeking to deliver, but the actions needed to deliver them will vary by farm, location, and local priorities. For the proposed SFS, we are taking into account a range of evidence, including the State of National Resources Report (SoNaRR) and NRW's Area Statements to identify these local priorities and opportunities to support collaboration at a catchment or landscape scale.

Forestry

Forestry and woodland provide a range of benefits in relation to the National Priorities of the Natural Resources Policy. Woodland management is an important contributor to improving the condition of woodland and timber quality, as well as maintaining resilience as a habitat or landscape feature. However, conditions required to meet environmental legislation cannot currently be included in felling licences. The provisions will help to address the disjoint between environmental legislation and the Forestry Act 1967, and in doing so, better protect against environmental harm.

Tenancies

We expect the provisions will facilitate compliance with statutory duties and future scheme entry for some agricultural tenants who may otherwise have been restricted by clauses written into their leases several years ago. This should help further deliver on the National Priorities.

Marketing Standards, Carcass Classification

The provisions do not have the capacity to be used to implement any of the National Priorities in the Natural Resources Policy, as there is no scope for these proposed primary powers to have a particular place-based impact or to directly improve the natural environment.

Market intervention

The provisions do not have the capacity to be used to implement any of the National Priorities in the Natural Resources Policy, as there is no scope for these proposed primary powers to have a particular place-based impact or to directly improve the natural environment. It is possible that when secondary legislation is made during a market crisis, certain geographical areas will be more affected because of a high proportion of agricultural businesses in the affected sector being in that area. Because this provision is related to crises, however, it is impossible to predict how such use of these powers would have a place-based impact at this stage.

5.1b Does the proposal help tackle the following national challenges and opportunities for the sustainable management of natural resources?

Reverse the decline in biodiversity – by developing resilient ecological networks

SLM and future support

Maintaining and enhancing ecosystem resilience is set as one of the SLM objectives. Ministers must consider how they can best achieve these objectives when exercising their functions under the Bill.

Increasing ecosystem resilience and managing designated environmental sites are two of the purposes for support defined in the Bill, but several of the other purposes could also be expected to positively impact on biodiversity and ecological networks. For example, improved water quality can be achieved by nutrient management planning and matching inputs to plant needs. This can also improve soil health and biodiversity. The Royal Society⁴¹ notes “*Biodiversity and soil structure are closely linked; soil structure influences the nature and activity of soil organisms, while soil organisms affect the physical structure of the soil. Good soil structure benefits a number of species and habitats. In addition, soil biodiversity, and its associated influence on soil structure, contributes to a range of ecosystem functions such as decomposition of dead matter and nutrient cycling. Soil also contributes to ecosystem services such as support of above-ground biodiversity, control of plant, animal and human pests and diseases, and climate regulation*”.

We expect that SLM and the powers of support will enable a positive impact on biodiversity. Further expected impacts are outlined in our Biodiversity Impact Assessment.

Forestry

The provisions to amend the Forestry Act 1967 to provide powers to add conditions to felling licences and to amend/suspend/revoke felling licences already granted are being sought to prevent felling that would contradict other environmental legislation. The effect of this is primarily to safeguard wildlife and provide protection from environmental damage. It also enables such “environmental” conditions to be enforceable under the Forestry Act; helps the Forestry Act align with other environmental legislation such as the Habitat Regulations 2017 and enables NRW to meet its SMNR (sustainable management of natural resources) and Section 6 duty under the Environment (Wales) Act 2016.

Safeguard and increase carbon stores in soils and biomass

The Bill sets mitigating and adapting to climate change as one of the four SLM objectives. To meet this challenge, maximising carbon sequestration and storage is set as a purpose for support alongside reducing emissions.

As outlined in the Environment and Rural Affairs Monitoring & Modelling Programme (ERAMMP) logic chains report⁷⁶, carbon sequestration occurs in different habitats across Wales, including woodland, saltmarsh, peatland, and grassland. Safeguarding and increasing carbon stores can be

⁷⁶ https://erammp.wales/sites/default/files/ERAMMP%20Rpt-40%20SFS%20Logic%20chains%20v1.0_en.pdf

achieved by practices such as sward management, nutrient management and increasing tree cover.

Additionally, the management and restoration of natural habitats which act as carbon stores, should lead to an increased capacity for different ecosystems to retain carbon. Evidence⁷⁷ shows:

- Welsh soils currently have intermediate levels of soil Carbon content relative to England and Scotland suggesting some potential for improvement;
- Increases in Soil Organic Carbon (SOC) due to a given change in management or land use are finite. SOC stocks will tend to saturate as a new equilibrium state is reached. Similarly, potential SOC gains may be greatest in areas which currently have low SOC stock which are undergoing land use changes, rather than minor management changes;
- Increases in SOC due to a given change in management or land use may not be permanent. Returning to original management is likely to release accrued SOC so long-term changes in practice is important;
- Increasing Soil Organic Matter (SOM) could also have synergistic effects through agricultural GHG emissions reduction; small increases in SOM could improve soil properties and plant productivity while reducing dependency on Nitrogen fertiliser.

Future support for agriculture, including the proposed SFS, will be able to support farms to undertake a range of management practices which would positively impact on carbon stores in soils and biomass. Our proposals to encourage integration of woodland planting into farm systems will increase carbon sequestration in the timber and habitats created.

Maintain productive capacity, in particular by improving soil quality and biosecurity

Soil Quality

Soil quality is integral to the principle of SLM and must be maintained and enhanced if the strategic objectives are to be met.

In terms of the importance of soil quality to productive capacity, the Royal Society⁷⁸ notes “...*there is a correlation between improvements in soil structure and increasing grain yield of cereals. A well-structured soil can improve crop productivity through providing a habitat for earthworms and other soil organisms. Compacted soil is often associated with a decrease in yield through detrimental effects on the crop’s root system. Improved soil structure can help to prevent soil erosion, where the upper layer of soil is displaced. Soil erosion significantly affects the productivity of soil, with Defra estimating that the total cost of erosion in England and Wales is in the region of £150 million a year*”⁷⁹.

⁷⁷ Alison, J., et al. (2019). Annex 3: Soil Carbon Management. ERAMMP Report to Welsh Government (Contract C210/2016/2017) (CEH NEC06297).

⁷⁸ The Royal Society (2020). Soil structure and its benefits.

⁷⁹ Graves, A., Morris, J., Deeks, L., Rickson, R., Kibblewhite, M., Harris, J., Farewell, T. & Truckle, I., (2015). The total costs of soil degradation in England and Wales. *Ecological Economics*, 119, pp.399-413.

A report by ERAMMP⁸⁰ advises “*Taking account of nutrients supplied by organic materials is crucial to minimise nutrient losses to water and air from agricultural systems. Manure nutrient use efficiency can be improved by ensuring manures are applied at application rates that do not supply nutrients in excess of crop demand. Targeting manure applications to soils that require phosphate applications to maintain soil fertility will reduce the risks of phosphate losses to water, along with avoiding applying manure to soils that already have adequate P levels*”. Targeted application of slurry (i.e. through injection) would lead to benefits including increased crop yields, whilst at the same time minimising nutrient loss and runoff, which has led to environmental effects harmful to biodiversity including eutrophication.

Evidence from SoNaRR shows the importance of protecting our soils:

- The soils of best quality and most productive agricultural land are a scarce and finite resource in Wales; accounting for less than 7% of land area⁸¹;
- Soil quality has deteriorated across all habitats apart from woodlands where there has been some improvement;
- The severity and spatial extent of soil erosion has not been directly quantified in Wales. Around 10-15% of grassland fields in England and Wales are thought to be affected by severe soil compaction and 50-60% are in moderate condition.

On-farm actions to improve soil quality will often also deliver wider benefits such as reduced GHGs, improved water quality, improved air quality and increased ecosystem resilience therefore maintaining the productive capacity of the land. Future support, including the SFS, will be able to support farms to monitor and improve soil health through actions such as soil testing and Nutrient Management Planning (NMP).

Support for NMP and soil testing can help ensure farmers implement the most appropriate management for their farm, while also improving:

- farm profitability – through input cost management;
- soil biome – through diverse soil life such as fungi or larger small organisms e.g. worms;
- soil structure – through better soil aggregation and stable soil carbon; reducing erosion;
- soil carbon sequestration;
- soil infiltration rate – allowing more water to be retained by soils, reducing flooding.

Biosecurity

Endemic, production-limiting diseases are a major constraint on efficient livestock production and have an impact on the carbon footprint, efficiency, and profitability of farms. Welsh systems are particularly vulnerable to endemic disease impacts because they are largely pasture-based. The

⁸⁰ Williams J.R., et al. (2019). Annex 1: Soil nutrient management for improved land. ERAMMP Report to Welsh Government (Contract C210/2016/2017) (CEH NEC06297).

⁸¹ Natural Resources Wales (2016). State of Natural Resources Report (SoNaRR): Assessment of the Sustainable Management of Natural Resources. Technical Report.

UK Climate Change Committee (UKCCC) has identified better animal health through biosecurity as an effective mitigation measure, which is estimated to provide savings to farmers and contribute to the CO₂e emission abatement.

The ERAMMP logic chains report⁸² showed that healthier and more productive livestock from increased biosecurity could deliver:

- improved productivity, resulting in fewer livestock needed for the same output;
- maintaining and enhancing biosecurity as a benefit in itself;
- reduced effects from veterinary medicines on other species (e.g. dung beetles) and associated ecosystem processes (e.g. nutrient cycling) and services (e.g. water quality);
- reduced antibiotic leakage to the environment;
- improved air quality and reduced carbon emissions per unit outputs, which are indirect benefits from more productive animals.

SLM will enable support to be provided for achieving and promoting high standards of animal health and welfare, of which biosecurity is an important component. This will enable a good level of biosecurity across farms, through the ability to provide support to undertake actions such as ensuring boundaries are secure to stop stock straying, making sure wash stations are available, and securing feed stores to keep out wildlife and vermin.

Reducing the risk of flooding

The Bill sets mitigating flood and drought risks as a purpose for support under SLM and is therefore designed to have a positive impact on flood risk.

Flood risk is influenced by a range of factors such as topography, habitat and rainfall⁸³. The ERAMMP logic chains report highlights a range of on-farm actions which would be expected to mitigate flood risk:

- Sward management and cover cropping can increase infiltration rates and water retention;
- Establishing hedgerows and other buffers (e.g. in riparian zones) can slow water run-off;
- Farm woodland improves water interception through improved soil structure.

A wide variety of ecosystems have a demonstrable benefit to flood control when in good condition. One example of this is raised by Natural Resources Wales in relation to the areas of Ffridd in South Central Wales, where flood mitigations are mentioned as one of several benefits from the ecosystem being managed well⁸⁴.

⁸² Dickie I. & Neupauer, S. (2021). ERAMMP Report-40: SFS Logic Chains. Report to Welsh Government (Contract C210/2016/2017)(UKCEH 06297/06810)

⁸³ Keenleyside, C.B. et al. (2019). Annex 9: Flood mitigation. ERAMMP Report to Welsh Government (Contract C210/2016/2017) (CEH NEC06297).

⁸⁴ Natural Resources Wales. South Central Wales Area Statement: Building resilient ecosystems. <https://naturalresources.wales/about-us/area-statements/south-central-wales-area-statement/building-resilient-ecosystems/?lang=en>

Evidence from ERAMMP⁸⁵ shows that “...restoring floodplain wetlands has Flood Risk Management benefits in terms of reduced frequency and increased time lag of flood events, although there is also a potential risk (shared by most WWNP interventions) of peak synchronisation leading to flooding downstream. Their effectiveness is influenced by site-specific factors, especially how well they are connected to the river, and also their location, landscape topography, soil characteristics and type of management”. The ERAMMP evidence also notes the biodiversity benefits of restored floodplains, which “...can provide a wide range of habitats (including priority habitats such as fens, reed beds and lowland raised bog) and benefits for species that use these as feeding, breeding and resting areas. Benefitting species and taxa include waders, wildfowl, fish, mammals, amphibians and invertebrates. Three quarters of restored wetlands are used by migrating birds”.

Soil management can also contribute to reduced flood risk. The Royal Society⁸⁶ notes “Soil can act as “...‘natural flood management infrastructure’ by increasing water infiltration into the ground and also by providing natural water storage, for example through uptake into root systems. However, both these benefits are negatively affected by compacted soil structure. Compaction of the pores within the soil reduces the ability of rainfall to infiltrate the soil and acts as an obstacle to root penetration. The degree to which soil can contribute to flood prevention is strongly reliant on it being well-structured”.

The above evidence demonstrates that many other actions which could be undertaken to meet the other purposes for support, e.g. tree planting for carbon sequestration, may also be expected to positively impact on the ability to mitigate flood risk. The value of floodwater storage provided by trees in Wales is estimated to be £82.5m a year compared with bare soil, and £34.4m compared with grassland⁸⁷.

Supporting climate change mitigation and adaptation through ecosystem approaches

Ecosystem approaches to climate change adaptation are defined by the Convention on Biological Diversity as:

“The use of biodiversity and ecosystem services [...] to help people adapt to the adverse effects of climate change”⁸⁸ “...that may include sustainable management, conservation and restoration of

⁸⁵ Keenleyside, C.B. et al. (2019). Annex 9: Flood mitigation. ERAMMP Report to Welsh Government (Contract C210/2016/2017) (CEH NEC06297).

⁸⁶ The Royal Society (2020). Soil structure and its benefits.

⁸⁷ <https://cdn.forestresearch.gov.uk/2023/01/Revised-valuation-of-flood-regulation-services-of-existing-forest-cover-2023.pdf>

⁸⁸ Convention on Biological Diversity (CBD) (2009) Connecting Biodiversity and Climate Change Mitigation and Adaptation. Report of the Second Ad Hoc Technical Expert Group on Biodiversity and Climate Change. CBD Technical Series No. 41. Secretariat of the Convention on Biological Diversity, Montreal, Canada

ecosystems, as part of an overall adaptation strategy that takes into account the multiple social, economic and cultural co-benefits for local communities⁸⁹

Importantly, this definition places an emphasis on the wellbeing of people and communities and using measures which deliver wider benefits. This aligns with the strategic SLM objective of mitigating and adapting to climate change which must be done in a way that:

- Meets the needs of the present without compromising the ability of future generations to meet their own needs; and
- Contributes to the well-being goals of the Well-being of Future Generations (Wales) Act 2015.

Healthy ecosystems can act as a buffer against severe weather events induced by climate change. NRW has advised, in the North West Wales area statement, that the effects of climate change are already occurring in Wales with severe drought, wild fires and stress on our native habitats becoming more common⁹⁰. The below actions and outcomes would meet the strategic objectives of SLM and also meet several of the purposes for support:

- **High Soil Carbon content.** The Royal Society⁹¹ note “*Soil is the largest terrestrial store of organic carbon and its potential as a carbon sink means it could have an important role in climate change mitigation.....The capacity for soil carbon sequestration depends on soil type and land use. For example, the soil of wetlands and peatlands accumulates carbon at faster rates, due to high soil moisture and decreased rates of microbial decomposition.....the restoration of former crop fields to grassland or forests can restore soil carbon;*
- **Peatland restoration.** Evidence⁹² shows restoring peatland is 3.4 times less nitrogen costly than mineral soil carbon sequestration, and involves a much smaller land area demand, calling for a stronger consideration of peatland rehabilitation as a mitigation measure;
- **Agroforestry**⁹³. Evidence⁹⁴ shows agroforestry systems can contribute to slowing down those increases [in atmospheric carbon dioxide (CO₂) concentrations] and, thus, contribute to climate change mitigation..... The soil organic carbon (SOC) pool, in particular, is the only terrestrial pool storing some carbon (C) for millennia which can be deliberately

⁸⁹ Convention on Biological Diversity (CBD) (2010) Decision adopted by the Conference of the Parties to the Convention on Biological Diversity at its 10th Meeting. X/33. Biodiversity and climate change. UNEP/CBD/COP/DEC/X/33.

⁹⁰ Natural Resources Wales. North West Wales Area Statement. <https://naturalresources.wales/about-us/area-statements/north-west-wales-area-statement/climate-and-environment-emergency-adaptation-and-mitigation/?lang=en>

⁹¹ The Royal Society (2020) Soil structure and its benefits.

⁹² Leifeld, J., & Menichetti, L. (2018). The underappreciated potential of peatlands in global climate change mitigation strategies. *Nature communications*, 9(1), 1-7.

⁹³ Agroforestry refers to the production of crop, livestock, and tree biomass on the same area of land.

⁹⁴ Lorenz, K., & Lal, R. (2014). Soil organic carbon sequestration in agroforestry systems. A review. *Agronomy for Sustainable Development*, 34(2), 443-454.

enhanced by agroforestry practices. Up to 2.2 Petagrams (Pg) of Carbon ($1 \text{ Pg} = 10^{15} \text{ g}$) may be sequestered above and below ground over 50 years in agroforestry systems;

- **Woodland.** The UKCCC⁹⁵ note the importance of increasing woodland cover (at a UK level): *"Our analysis shows that using land released from agriculture for carbon sequestration and restoring natural habitats can deliver deep emissions reduction to 2050. Alternative uses of land could lead to emissions reductions of as much as 35-80% (20-40 MtCO₂e per annum) by 2050. The key measures to deliver this are: afforestation (increasing forest cover from 13% of all UK land today up to 19% by 2050) and better management of existing forests; restoring 55-70% of peatlands could reduce emissions by 4-11 MtCO₂e annually by 2050; sustainable energy crops representing up to 5% of land where wider environmental risks are managed; and more diverse uses of land that include trees on farms and hedgerow planting. Afforestation and restoring peatlands would also provide a range of additional benefits, including increased biodiversity, improved water quality and flood alleviation".* The UK Climate Change Committee advise a cross-UK implementation will lead to a benefit of £61 billion in total from Carbon Sequestration, without even taking into account the social benefits of these actions.⁹⁶

The purposes for support will allow future schemes, including the SFS, to support farms to apply the above ecosystem approaches, amongst others, on their farm. This should help increase resilience to climate change, but importantly provide wider social and cultural benefits by ensuring the sustainability of agriculture and rural communities.

Reducing noise pollution and pollution levels in our air, and enhance air quality

Agricultural gas emissions (e.g. ammonia) impact air quality and have negative effects on human health and ecosystems. Many of the ecosystems and natural resources in Wales act in ways to reduce pollution. This includes carbon sequestration and interception of ammonia emissions by woodlands along with a number of benefits from different landscapes. Expected health impacts of enhanced air quality are covered in the Health Impact Assessment.

Nitrogen is lost to the air as ammonia when urine mixes with muck and from spreading fertiliser. It builds up in the atmosphere and then falls on to the land, interfering with ecosystems. In 2018, 88% of sensitive habitat in Wales received excess nitrogen above thresholds where it is harmful to sensitive plants and biodiversity. Additionally, nitrogen is having an adverse effect on 29% of the most sensitive habitats⁹⁷.

Annual nutrient losses from Welsh agriculture are estimated to be around 20,000 tonnes of ammonia and 8,000 tonnes of nitrous oxide to air.

⁹⁵ UK Committee on Climate Change (2018) Land use: Reducing emissions and preparing for climate change.

⁹⁶ Committee on Climate Change (2020), Land use: Policies for a Net Zero UK. pg.58.

⁹⁷ <https://cdn.cyfoethnaturiol.cymru/media/692923/sonarr2020-aim-1-assessment.pdf>

For the UK to meet the National Emissions Ceiling Directive (NECD) target for 2030, ammonia emissions need to be 16% lower compared with 2005 levels. Compared with the other NECD pollutants, ammonia emissions fell between 1990 and 2007 but have since been rising.

The causes of ammonia emission will vary on every farm but, in order of overall importance, they are⁹⁸:

- slurry and muck spreading (26%);
- livestock housing (24%);
- fertiliser, especially urea (19%);
- grazing (12%);
- muck and slurry storage (11%).

Improving air quality is set as a purpose for support in the Bill. As covered in the Health Impact Assessment and Economic Impact Assessment, the actions taken on farm to meet this purpose would also have health benefits for the people of Wales and economic benefits for the farm business through reduced input costs.

There are many interventions consistent with the SLM purposes for support which would deliver enhanced air quality⁹⁹:

- Managing nitrogen (N) losses on the farm and improving N use efficiency are the key components for overall reduction in NH₃ emissions. For example, on mixed livestock farms, between 10% and 40% of the N loss is related to NH₃ emissions¹⁰⁰;
- The use of fertiliser recommendation systems (i.e. matching nutrient supply from organic manures and manufactured fertilisers to crop nutrient requirements) has the potential to reduce nitrogen and phosphorus losses to water and ammonia and nitrous oxide emissions to air by c.5%;
- Other ammonia abatement options have the potential to reduce ammonia losses from the targeted loss pathway by up to 80% (e.g. rigid covers on slurry storages - covering liquid manures stores, combined with the use of precision application technologies for spreading liquid manures, will reduce ammonia emissions).

⁹⁸ <https://gov.wales/sites/default/files/publications/2019-04/code-of-good-agricultural-practice-guidance-on-reducing-ammonia-emissions.pdf>

⁹⁹ Williams J.R., et al. (2019). Annex 1: Soil nutrient management for improved land. ERAMMP Report to Welsh Government (Contract C210/2016/2017) (CEH NEC06297).

¹⁰⁰ Jones, L. et al. (2019). Annex 8: Improving Air Quality and well-being. ERAMMP Report to Welsh Government (Contract C210/2016/2017) (CEH NEC06297).

Other evidence from ERAMMP¹⁰¹ notes “...focus can be placed on five broad areas where ammonia abatement has already been well researched and proven as an effective method. These are:

- *Livestock feeding strategies;*
- *Decreasing ammonia emissions from animal housing;*
- *Preventing emissions from slurry storage facilities;*
- *Low-emission slurry application techniques;*
- *NH₃ emission from mineral fertiliser application can be reduced by opting for low emission N fertilisers, such as ammonium nitrate, avoiding urea which is associated with much higher emissions.”*

The Cost-Benefit Analysis accompanying the Bill provides an estimate of potential impacts on air quality from undertaking a range of on-farm actions consistent with SLM.

Whilst noise pollution is not specifically targeted in the purposes for support for SLM, it could be expected that the delivery of other purposes could also reduce noise pollution. A report by Eftec for Defra (2018) found natural capital assisted with the mitigation of road noise levels of between 8,000 – 22,000 homes in Wales¹⁰². Increasing ecosystem resilience could further support this.

Improve the quality and ensure the quantity of our water

Annual nutrient losses from Welsh agriculture are estimated to be around 37,000 tonnes of nitrate-N and 700 tonnes of phosphorus to water¹⁰³. Emissions of nitrates, phosphates and sediment from agricultural land is one of the main pressures on freshwater quality in Wales¹⁰⁴.

Improving water quality can be achieved by a range of on-farm measures¹⁰⁵ which reduce losses of nutrients, erosion of top soil, and prevent any losses from reaching water courses:

- Nutrient management planning can ensure the right quantities are applied at the right time, reducing losses to water;
- Hedgerows, habitat and trees can increase interception of nutrients, preventing them from reaching watercourses;
- Cover cropping can increase retention of nutrients, reducing losses and preserving top soil.

Setting the improvement of water quality as one of the purposes for SLM support will allow the above actions to be supported.

¹⁰¹ Jones, L. et al. (2019). Annex 8: Improving Air Quality and well-being. ERAMMP Report to Welsh Government (Contract C210/2016/2017) (CEH NEC06297).

¹⁰² Eftec & CEH (2018) Modelling noise mitigation for UK urban natural capital accounts. Report. Pg. 38.

¹⁰³ Williams J.R., et al. (2019). Annex 1: Soil nutrient management for improved land. ERAMMP Report to Welsh Government (Contract C210/2016/2017) (CEH NEC06297).

¹⁰⁴ https://erammp.wales/sites/default/files/ERAMMP%20Rpt-40%20SFS%20Logic%20chains%20v1.0_en.pdf

¹⁰⁵ https://erammp.wales/sites/default/files/ERAMMP%20Rpt-40%20SFS%20Logic%20chains%20v1.0_en.pdf

Many actions consistent with SLM would reduce harm to the quality of waterways, in particular through measures such as targeted fertiliser application and the encouragement of practices such as hedgerow regeneration and soil management. These aim to reduce the level of nutrient runoff resulting from soil erosion along with natural barriers being created to reduce pollution from entering waterways. We therefore expect our proposals to have a positive impact on water quality.

Taking action to reduce the pressures on natural resources, such as through resource efficiency and renewable energy

The Bill sets resource efficiency and effective energy management as specific purposes for support. Resource efficiency is essential for climate change mitigation and the sustainability of agriculture. Farm resources may be environmental (e.g. water, soil) or may be inputs (e.g. energy, fertiliser, diesel, pesticides).

Through SLM we aim to support farms to become sustainably productive, by improving the efficiency of their production within the natural capacity of the land.

Improved efficiency can not only improve farm business resilience, through reducing costs and waste (e.g. through reduced energy or fertiliser use), but can also deliver the SLM purposes and help reduce resource pressure for current and future generations.

The wider delivery of the SLM purposes, such as clean air, clean water, and increased carbon sequestration, will also reduce the pressure on natural resources and increase the resilience of our ecosystems.

We expect our proposals to have a positive effect on resource efficiency and to reduce pressures on natural resources.

Supporting preventative approaches to health outcomes, with a particular focus on key public health issues of transport related air and noise pollution, tackling physical inactivity and mental health

The SLM framework is intended to reduce air pollution, improve air quality, and improve provision for opportunities for public access to, and engagement with, the countryside. We have set out the evidence in our Health Impact Assessment the main areas where our proposals will contribute to mental and physical health.

Supporting action to tackle health and economic inequalities

The provisions will contribute to better air and water quality, and to the extent poor air and water quality disproportionately affect those living in low-income households (in deprived areas), our provisions should have a positive impact on the health inequalities of low income households.

Parts of Wales still have some of the worst air quality in Britain, contributing to around 1,000-4,000 deaths every year. Alongside this, Public Health Wales has described the situation as a public health crisis, with an estimated cost to the Welsh economy of £1 billion related to lost work days

and costs to our health service¹⁰⁶. Implementing SLM would help to improve this situation, while also widening access to the Welsh landscape, which could benefit those from poor or deprived areas.

Our Equality Impact Assessment notes the environmental outcomes delivered by the provisions will impact positively on each of the three physical environment sub domains (air quality; flood risk; and access to green space) of the Welsh Index of Multiple Deprivation (WIMD)¹⁰⁷. As such, this could reduce the number of areas¹⁰⁸ in Wales shown as being environmentally deprived under the physical environment domain in the WIMD. This would impact positively on the well-being of those people living in those areas and contribute positively towards reducing environmental inequality.

Supporting community cohesion

The Bill is expected to positively contribute to social capital and community well-being.

Rural communities are at the forefront of the climate and nature emergencies. If action is not taken to address these challenges, the sustainable production of food and resilience of rural economies and communities are under threat.

The SLM objectives are designed to meet these challenges in a way which also benefits social cohesion, culture and heritage and supports decarbonisation in a fair and prosperous way. In addition, the purposes for support include strengthening the links between agricultural business and their communities and helping rural communities to thrive.

The need to meet these objectives is strengthened by the requirement that they must be achieved in a way which:

- a) meets the needs of the present without compromising the ability of future generations to meet their own needs; and
- b) contributes to achieving the well-being goals in section 4 of the Well-being of Future Generations (Wales) Act 2015.

SLM will provide a framework for Ministers to support the delivery of outcomes that will increase the resilience of agriculture and the rural environment. This in turn would support community cohesion, as outlined in our Rural Proofing and Economic Wellbeing Impact Assessments.

Supporting secure and stable employment

¹⁰⁶ Natural Resources Wales. South Central Wales Area Statement – Improving our Health.
<https://naturalresources.wales/about-us/area-statements/south-central-wales-area-statement/improving-our-health/?lang=en>

¹⁰⁷ Welsh Government (2019). Welsh Index of Multiple Deprivation (WIMD) Results Report.

¹⁰⁸ Lower Super Output Areas (LSOAs)

Estimates for 2021¹⁰⁹ show the total number of people working on agricultural holdings in Wales is 50,401. Of this total, there are 37,953 principal farmers, directors, business partners and their spouses. The total includes 12,448 regular full time, regular part time and seasonal/casual farm workers. The figure does not include self-employed people or contractors who may also work on the farm.

We expect the Bill to contribute positively towards employment. Evidence from Tir Gofal in Wales¹¹⁰ and Entry Level Stewardship in England¹¹¹ has found these agri-environment schemes were associated with an increased labour demand. Additionally, at UK level, it is suggested “*the contribution of Pillar 2 to rural employment is higher (1.2%) compared to the contribution of Pillar 1 (1.0%)*”¹¹².

The purposes for future support under SLM include the purpose of improving the resilience of agricultural businesses in Wales. Through SLM, a resilient agricultural sector will also contribute to secure and stable employment by enabling current and future generations to continue the sustainable production of food and the outcomes we are seeking. This should support jobs in the agricultural sector, wider supply chain and rural communities.

It is essential that any changes to agriculture, land use, and associated practices are fair and create opportunities across the rural (and wider) community. This will require appropriate advice, support, and skills development. The proposed SFS intends to provide an advisory service to support all farm businesses in delivering SLM.

Additionally, the protection and increased sustainability of Welsh heritage, landscapes and natural resources may lead to a number of additional tertiary benefits related to the creation of secure and stable employment. This may be particularly applicable in the area of agri-tourism where Welsh natural resources have created a natural environment which is world renowned. This is evidenced by the Wales Visitor survey which highlights the natural environment as the key reason for tourists to choose Wales as a holiday destination¹¹³.

Tenancies

We expect the provisions will facilitate compliance with statutory duties and future scheme entry for some agricultural tenants who may otherwise have been restricted by clauses written into their

¹⁰⁹ June Survey of Agriculture and Horticulture (2021).

¹¹⁰ Agra CEAS (2005). Socio-economic evaluation of Tir Gofal, report for CCW and Welsh Government. A sample of 251 participants in Tir Gofal (just over 20% of the 1,166 participants who had received payments at project inception) were surveyed.

¹¹¹ Mills, J., Courtney, P., & Gaskell, P. (2010). Assessing the Incidental socio-economic impacts of Environmental Stewardship.

¹¹² Rizov, M., Davidova, S., & Bailey, A. (2018). Employment effects of CAP payments in the UK non-farm economy. *European Review of Agricultural Economics*, 45(5), 723-748.

¹¹³ McAllister & McDonough (2017). Wales Visitor Survey 2016 Report: UK Staying Visitors. Welsh Government, GSR report number 14/2017. Available at: <http://gov.wales/statistics-and-research/wales-visitor-survey/?lang=en>

leases several years ago. This will further facilitate the sustainable management of natural resources.

Marketing Standards, Carcass Classification

The provisions will not have any impact on biodiversity, soils, productive capacity, flooding, climate change mitigation, pollution or water quality, because the proposed primary legislation will not lead to tangible changes on the ground.

Secondary legislation on marketing standards made with the powers set out in the provisions may have an impact on the issues mentioned above, but at this stage we cannot speculate what these would be.

Intervention in agricultural markets

The provisions will allow for legislation to be made which would likely keep farmers in work in a crisis, rather than allowing business failure due to force majeure. The provisions would support secure and stable employment and community cohesion directly. Indirectly, it would act as a preventive approach to worsened mental health among farmers and their dependents.

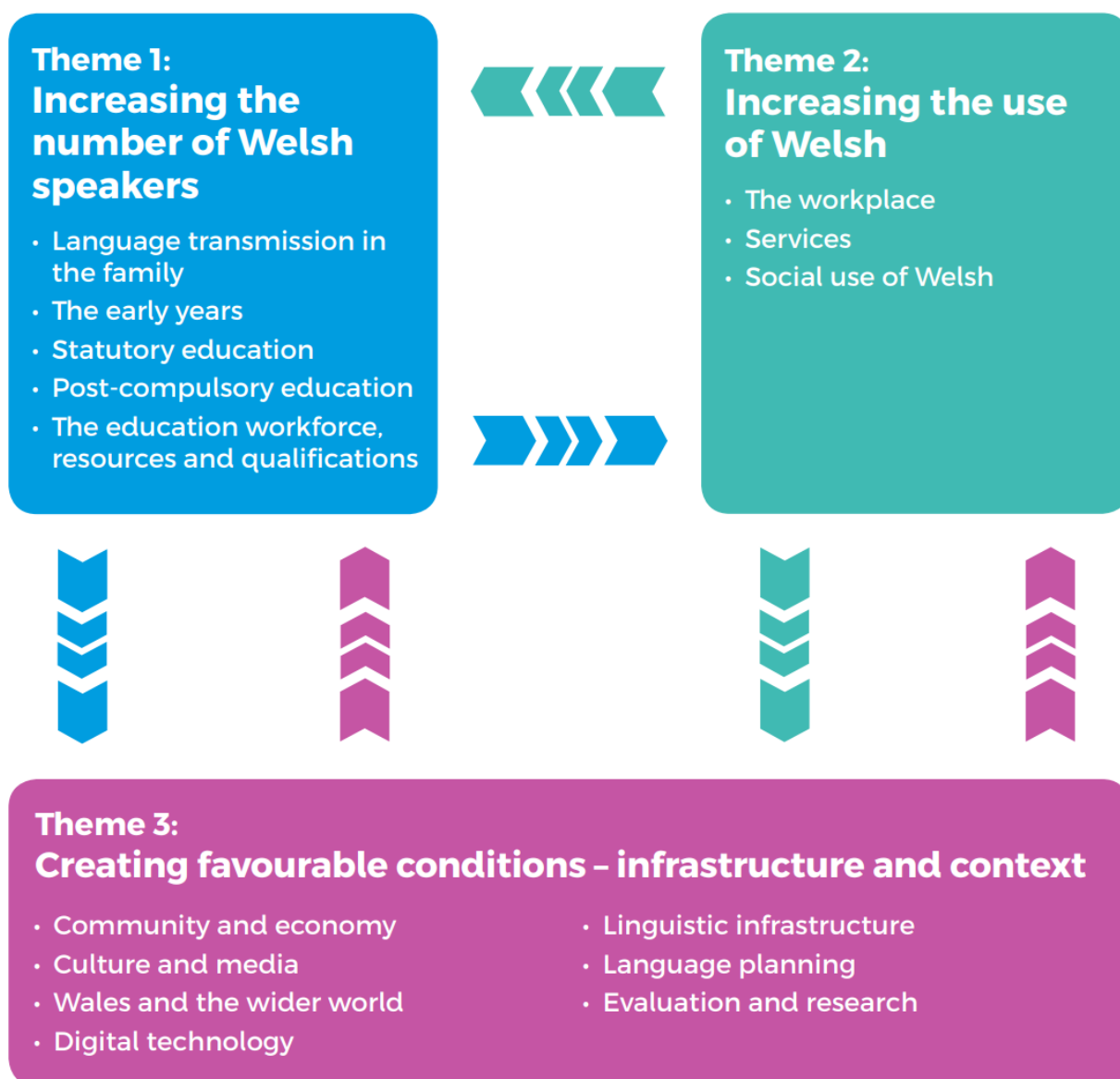
5.2 Biodiversity

To demonstrate compliance with Section 6 of the Environment (Wales) Act 2016, you must complete the Cymraeg 2050 is the Welsh Government's national strategy for increasing the number of Welsh speakers to a million by 2050.

The Welsh Government is fully committed to the new strategy, with the target of a million speakers included in its Programme for Government. A thriving Welsh language is also included in one of the 7 well-being goals in the Well-being of Future Generations (Wales) Act 2015.

We also have a statutory obligation to fully consider the effects of our work on the Welsh Language. This means that any Welsh Government policy should consider how our policies affect the language and those who speak it.

The Cymraeg 2050 strategy has three interrelated themes:



The headings under each theme outline the scope of activities that can affect the language.

1. **Welsh Language Impact Assessment reference number (completed by the Welsh Language Standards Team): 05/06/2022**
2. **Does the proposal demonstrate a clear link with the Welsh Government's strategy for the Welsh language? – *Cymraeg 2050 A million Welsh speakers* and the related Work Programme for 2017-2021?**

The most recently available Census data from 2021 shows 17.8% of people in Wales aged 3 and over are able to speak Welsh. There are Welsh speakers in all parts of Wales, but the numbers and proportion of the population vary. The local authorities with the highest proportion of Welsh speakers are Gwynedd (64.4%), Isle of Anglesey (55.8%), Ceredigion (45.3%) and Carmarthenshire (39.9%). These local authorities are all largely rural in nature. The local authority

with the highest number of Welsh speakers is Gwynedd (73,600), followed by Carmarthenshire (72,800).

Cymraeg 2050 identifies areas with a high density of Welsh speakers as central to the Welsh Government vision for increasing the number of Welsh speakers because they are likely to create favourable conditions for the use of Welsh. The higher the number and proportion of Welsh speakers in an area, the higher the chances of being able to use Welsh in daily life.

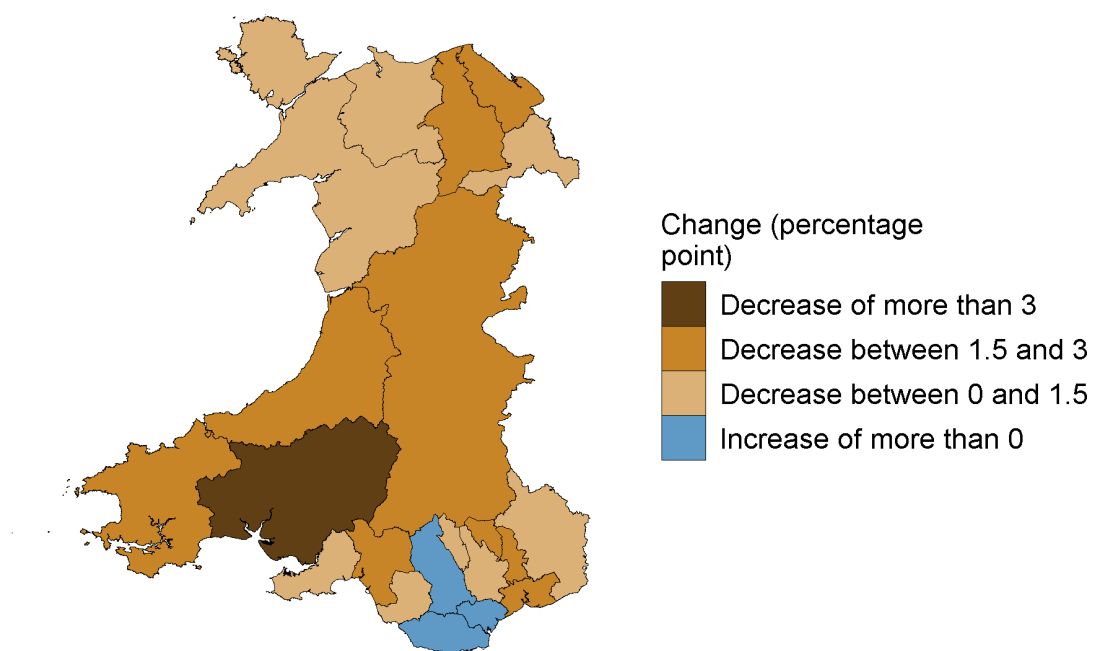
The percentage of people aged 3 and over able to speak Welsh decreased in the hundred years up to the 2021 Census, from 37.1% of the population in 1921 to 17.8% in 2011. Across age groups, the percentage able to speak Welsh is currently highest amongst 5 to 15 year-olds.

Regionally, Carmarthenshire saw the largest drop in the percentage able to speak Welsh – from 43.9% in 2011 to 39.9% in 2021. In addition, Powys, Denbighshire, Pembrokeshire and Ceredigion all saw a decrease of two or more percentage points in the proportion of Welsh speakers. Increases in the proportion of Welsh speakers were seen in Cardiff, Vale of Glamorgan, Merthyr Tydfil and Rhondda Cynon Taf. Figure 1a shows the change in the proportion of people aged three and over able to speak Welsh between 2011 and 2021 at the local authority level, and Figure 1b shows the change in the proportion of people aged three and over able to speak Welsh between 2011 and 2021 at the Lower Layer Super Output Area (LSOA) level.

It is important to note changes in the proportion of Welsh speakers can be caused by both an increase/decrease in the number of Welsh speakers and an increase/decrease in the number of non-Welsh speakers.

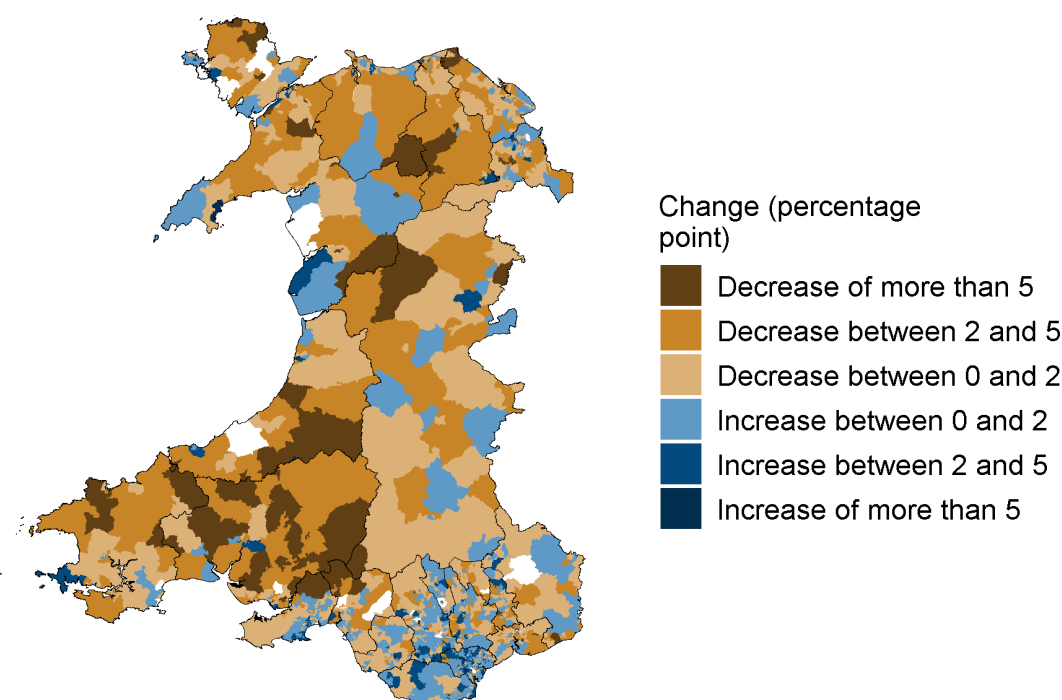
For all local authorities that saw a decrease in the proportion of Welsh speakers, there was also a decrease in the total number of speakers.

Figure 1a. Change in proportion able to speak Welsh, by Local Authority, 2011 and 2021



Source: Census of population, 2011 and 2021

Figure 1b. Change in proportion able to speak Welsh, by Lower Layer Super Output Area (LSOA), 2011 and 2021



Source: Census of population, 2011 and 2021

Other data sources:

Alongside the Census, the Annual Population Survey (APS) and the National Survey for Wales (NSW) also ask respondents in Wales about Welsh language ability. It should be noted the Welsh language statistics provided by the Census, the APS and the NSW differ somewhat, and the Welsh Government has published guidance as to why these differences may occur. The Census remains the official data source regarding the number of Welsh speakers in Wales.

APS data for the year ending March 2021 estimates that the number of Welsh speakers (aged three and over) rose by 17.7% between 2011 and 2021 to 883,300 (29.1% of the Welsh population). In addition, the NSW estimates that while 10.7% of those aged 16 and over could speak Welsh fluently in 2021, an additional 21.9% had some Welsh speaking ability (4.8% speaking “a fair amount”, 11.0% speaking “a little”, and 6.1% able to speak “just a few words”). The distinction between fluent speakers and learners is not recorded in Census data, nor is information on frequency of Welsh use. It is unclear how many learners choose to record themselves as being able to speak, read, write and/or understand Welsh when completing the Census. In anticipation of the 2021 Census, Cymdeithas yr Iaith (*[Welsh] Language Society*) encouraged all Welsh speakers and learners to record their Welsh language skills, regardless of their ability level, which may impact on official statistics.

APS data for the year ending March 2021 also estimates the proportion of the population able to speak Welsh was 3.4 percentage points higher than in 2011. There was, however, considerable variation across Local Authorities (LAs). The proportion of Welsh speakers in some LAs was estimated to have grown substantially between the year ending March 2011

and the same period in March 2021, while other LAs saw a decrease. Regional variation did not generally follow a pattern with regard to the established Urban/Rural/Valleys/Other classification; some Rural LAs saw increases while others experienced decreases. It is important to note that the APS asks about frequency of use but not fluency, therefore it is not known how many learners of varying ability levels may choose to report their Welsh language skills when responding to the APS. Therefore, substantial increases may include those who are not fluent and will include those who do not regularly use Welsh.

There was also no clear pattern in relation to the actual number of Welsh speakers between different types of Local Authority.

One potential reason for increases in both the number and proportion of Welsh speakers is changes to education provision in Wales. The School Standards and Organisation (Wales) Act 2013 introduced a requirement for Local Authorities to prepare Welsh in Education Strategic Plans (WESPs) with more recent guidance emphasising the role of WESPs in supporting *Cymraeg 2050* and The Well-being of Future Generations (Wales) Act 2015. WESPs set out how each Local Authority will improve the planning of the provision of Welsh-medium education.

According to the APS, children aged 3 to 15 accounted for 30% of all Welsh speakers for the year ending March 2021, despite representing just 16% of the population of Wales aged 3 and over. Ten Local Authorities in Wales have seen an increase in the number of Welsh medium schools since 2008/09. While Local Authorities such as Gwynedd, Ceredigion and Carmarthenshire have seen substantial decreases in the number of Welsh medium schools, this is due to the closure and amalgamation of small rural schools. These Local Authorities have also seen an increase in the number of bilingual schools as provision of education is centralised in larger schools.

Figure 2 - Proportion of Welsh speakers by age group, compared with the general population (aged 3+) of Wales

Source: Annual Population Survey

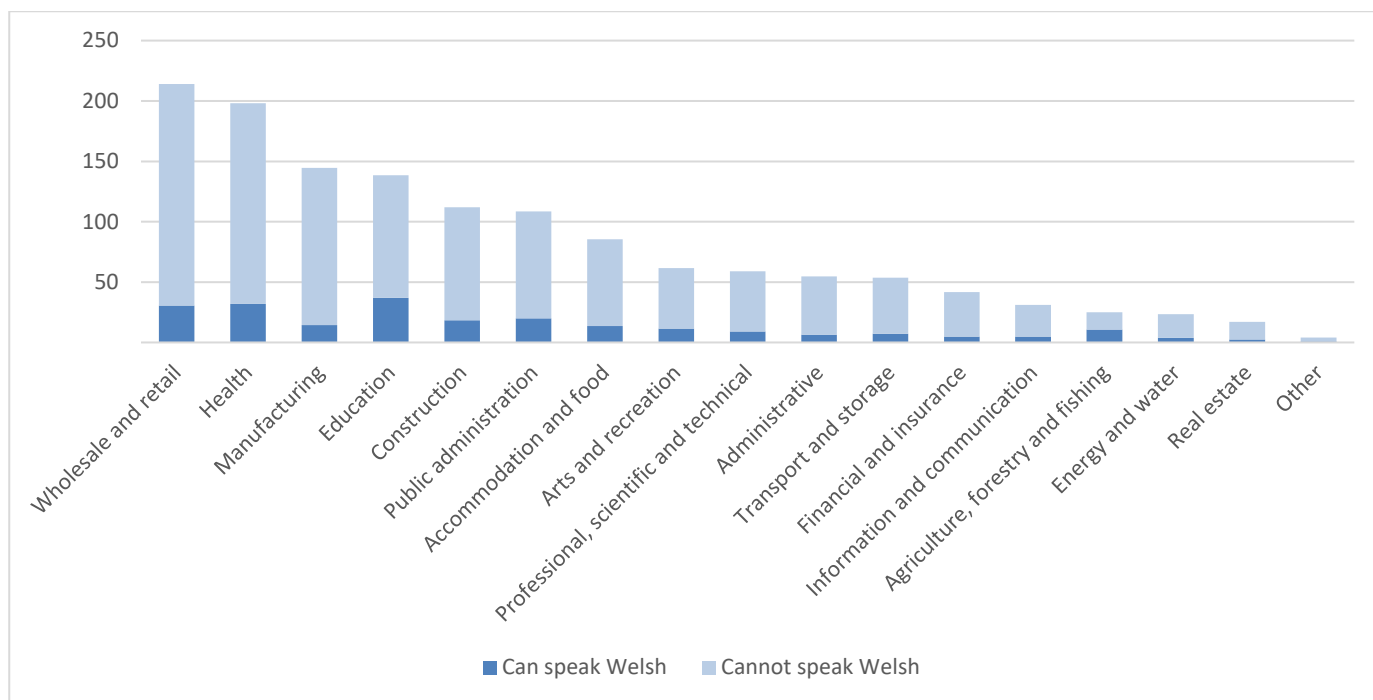
Agriculture and the Welsh Language

High-level statistics from the 2021 Census were published in December 2022, covering Welsh language skills by area and age group. The following section, presenting analysis relating to the agricultural industry, uses data from the 2011 Census, but will be updated to reflect the most recent data as soon as is practicable.

Census 2011 data shows that despite the small size of the agricultural sector (Figure 3a), 2% of all workers in Wales, agriculture accounts for a relatively larger share of all Welsh speakers (5% of all speakers).

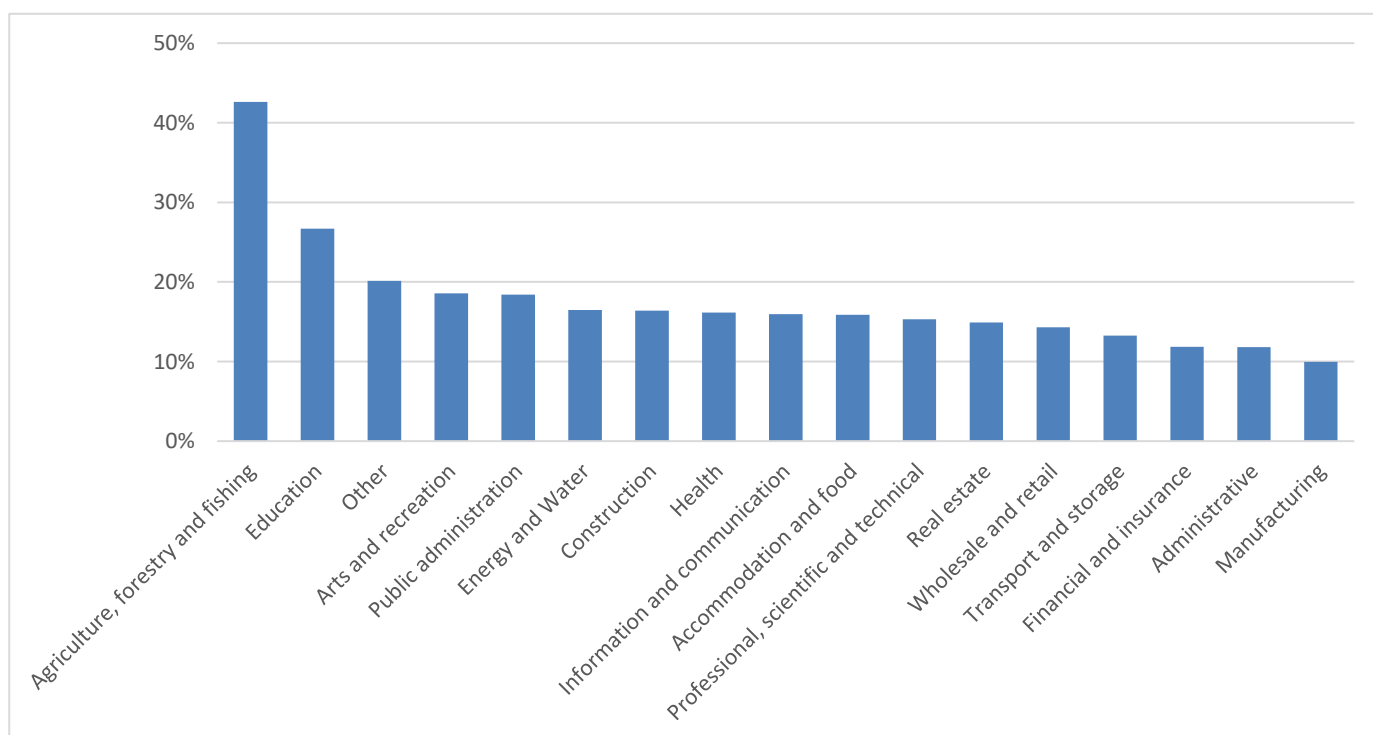
The agriculture sector (including fishing and forestry) has the highest share of Welsh speaking workers in Wales at 43%, also shown in Figure 3b. This is in comparison with the average for workers across all sectors at 16.6%.

Figure 3a. Number of workers who speak Welsh by industry (thousands)



Source: Census 2011

Figure 3b. Percentage of workers who can speak Welsh by industry



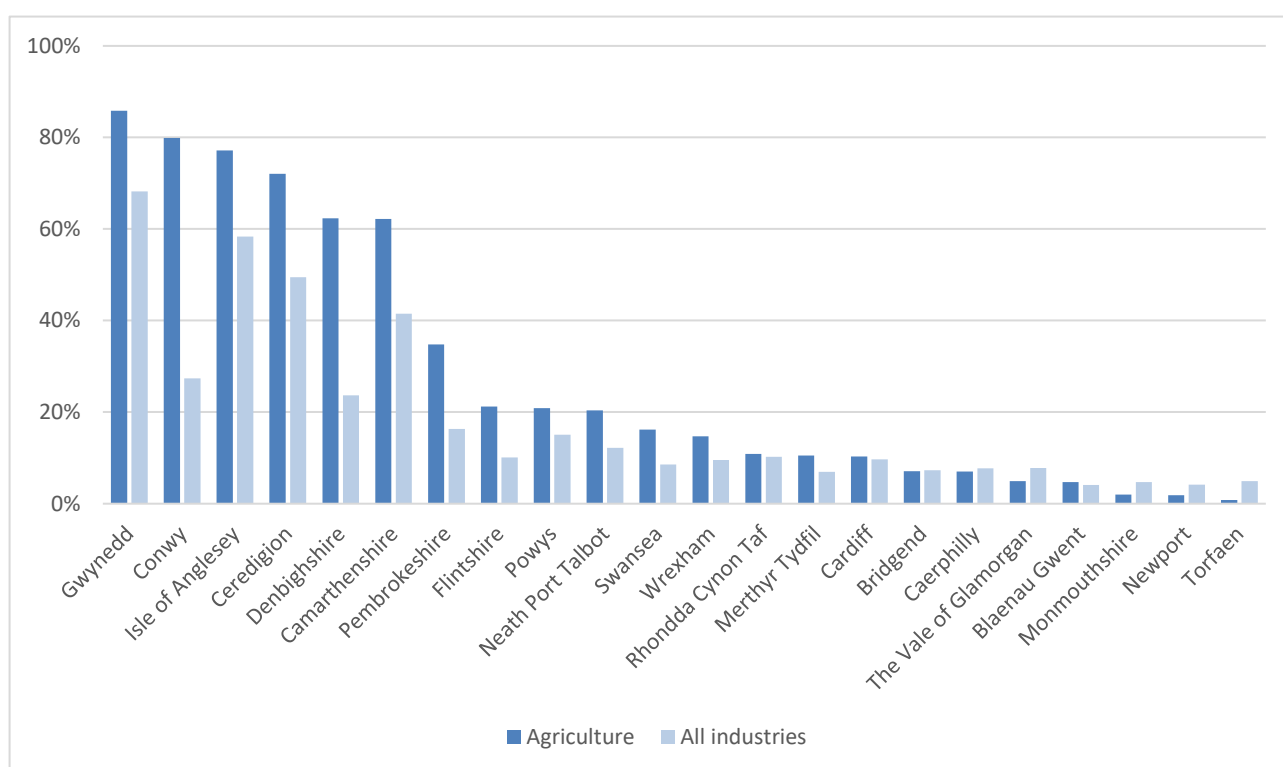
Source: Census 2011

Looking across all local authorities, 86% of agricultural workers in Gwynedd speak Welsh, which is higher than the average across all industries in the county (68%), whereas in Torfaen the figure for

agriculture is 1%, compared with an average of 5% across all industries (Figure 4). There is also variation amongst more rural local authorities where agriculture is a prominent industry. For example, 21% of agricultural workers in Powys speak Welsh compared with 72% in Ceredigion. These more rural local authorities are in many cases the same areas which saw larger decreases in the proportion of Welsh speakers between the 2001 and 2011 censuses (Figure 1a).

Higher shares of Welsh speakers within the agriculture industry are often found in rural local authorities that also have higher shares of Welsh speakers across the whole work force (Figure 4). However, there is a trend for the share of Welsh speakers within agriculture to be higher than the share for all workers in these local authorities. For example, Anglesey has a high share of the total workforce speaking Welsh (58%) but the share of agricultural workers in the local authority is higher (77%). The difference is most pronounced in Conwy and Denbighshire, suggesting a higher relative importance of agriculture for the Welsh language.

Figure 4. Percentage of workers in Agriculture who can speak Welsh compared with All Industries, by Local Authority



Source: Census 2011

Within local authorities there is further variation. In Gwynedd all the LSOAs with at least 10 agriculture sector workers have a majority who can speak Welsh. In Monmouthshire all the LSOAs with at least 10 agriculture sector workers have Welsh speaking rates below the average for all industries. In Powys, the LSOAs show Welsh speaking rates all across the range from very low to very high.

There are 30 LSOAs in Wales where Welsh speaking agriculture sector workers make up at least 20% of all Welsh speaking workers. These LSOAs are in Powys, Carmarthenshire, Ceredigion, Conwy, Gwynedd, and Pembrokeshire.

The three themes of *Cymraeg 2050* are linked, and agriculture already has a high proportion of Welsh speakers relative to other industries. There is the potential, therefore, for greater use of Welsh in agriculture in an environment that has greater potential to provide favourable conditions for the language, compared with other industries. Conversely, any potential negative impacts of the Bill on agriculture generally, such as the displacement of agricultural workers following farm business loss, could lead to negative impacts on the Welsh language through dispersal of Welsh speakers, reduced proportion of speakers in rural areas, a reduction in the everyday opportunities to use Welsh, or a combination of these factors.

Favourable conditions for the use of Welsh

Having Welsh language ability does not necessarily translate to using the language in the workplace, for a variety of reasons. The Welsh Government Report 'Welsh Language Needs on Eight Sectors' examined the relationship between language ability, use, and employer needs across 8 sectors in Wales. It found:

- 68% of agri-food businesses (including agriculture) had staff with Welsh language skills compared with 66% of all businesses; the highest was childcare at 94%;
- 34% of agri-food staff in the surveyed businesses were reported to have Welsh language skills, compared with 24% of staff across all businesses; the highest was childcare at 66%;
- Advanced level ability was most likely to be reported for staff in agri-food and creative businesses, and agri-food staff had a high level of ability across all domains (reading, writing, speaking, understanding);
- In agri-food businesses, staff were using Welsh; 19% of businesses reported that staff had Welsh language ability but didn't use it, whereas across all businesses it was 31%;
- Where agri-food businesses were using Welsh, they used it for informal and formal purposes, both written and spoken. These businesses were also using Welsh to conduct business with external partners (clients, customers etc.). This was not so common in other sectors and suggests Welsh is being used normatively in many agri-food businesses with Welsh speaking staff.

These results provide evidence that agri-food businesses, including agriculture, in Wales are providing more favourable conditions for use of the Welsh language compared with other industries, and that this extends beyond interactions occurring within the business. For farms, interactions occurring outside of the business will include trade of animals, fodder, machinery etc. and a variety of other activities. For the 43% of farms in Wales that have diversified into other areas (e.g. tourism), these business interactions may also be occurring in a wider range of businesses.

Welsh, agriculture and the local community

Results from the National Survey for Wales 2018-19 suggest Welsh speakers often feel they are part of strong communities; people who agreed that they felt a sense of belonging to their community were more likely to speak Welsh in everyday life compared with those that disagreed. A feeling of belonging is also likely to be associated with interactions with other members of the community, and these interactions may occur in Welsh.

In their report, *Farming – Bringing Wales Together*, National Farmers' Union (NFU) Cymru conclude that “*Welsh farmers are key promoters and protectors of Welsh culture, heritage and language*”, given the high proportion of Welsh speakers in agriculture and the extent to which farmers contribute to their communities. The report emphasises that “...*many farmers or individuals involved with the agricultural industry undertake leadership and voluntary roles in rural communities which contribute to community cohesion*”. Involvement in formal community networks and activities can be related to agriculture (e.g. technical groups, Young Farmers Clubs (YFCs), agricultural shows), or be unrelated (e.g. local council, church/chapel, sports clubs, community support groups, music and drama groups), while other networks will be less formal (friendships, chatting with neighbours). Through involvement in these networks, Welsh speaking agricultural workers and their families will be supporting the use of Welsh in a variety of settings.

Welsh language and the Bill

Sustainable Land Management (SLM) and future support

Changes to the structure of the agricultural sector have the potential to alter the contribution the sector makes to the resilience of the Welsh language. This is particularly relevant if there is a change to the outward migration of Welsh speakers from rural areas as a result of SLM and future support, or the inward migration of non-Welsh speakers. This will be dependent on the economic impacts of the Bill and future support; economic analysis is ongoing as we design the proposed future support.

The Bill sets SLM as the future policy framework for agriculture in Wales and provides the powers for a Sustainable Farming Scheme (SFS), within which farmers will be supported to deliver SLM. The proposed SFS is being designed to support farmers in implementing actions which will deliver the Welsh Government's desired outcomes. The scheme is not intended to encourage large-scale land use change of whole farms, rather we aim to support SLM practice holistically, delivering all four of the SLM objectives, such that agricultural land is retained within the industry. It is a key principle of the proposed SFS that farmers should be kept on the land. The Bill is designed to support an active and resilient sector, with the proposed SFS providing a stable income stream for participating farms. In turn, a sustainable agricultural sector will provide employment opportunities for future generations and a reason for young people to remain in their communities.

The Bill and proposed SFS are designed to take action in tackling the climate emergency and nature emergency in a way that is beneficial for farms and rural communities. This is in line with the Welsh Government's existing commitments, as laid out in the Well-being of Future Generations (Wales) Act 2015, which places a duty to consider both present and future generations, and our Carbon Budget, which states that the transition to net zero should be “fair and prosperous”. The Welsh Government's approach, through adopting SLM in the Bill, is to promote land sharing practices, ensuring that future generations are able to farm in Wales. Supporting and enabling farmers to produce food in a sustainable manner through the purposes for support will contribute to the aim of keeping farmers on their land in Wales and sustaining the Welsh language within the sector.

The fourth SLM objective in the Bill sets out the specific aim of sustaining, promoting, and facilitating the use of the Welsh language alongside the conservation and enhancement of cultural resources more broadly. The development of any future agricultural support must consider how

best to deliver all of the SLM objectives and so the Welsh language is a key component of the future agricultural policy framework in Wales.

In addition, the purposes for support in the Bill include supporting the Welsh language within an agricultural context, both directly and indirectly. The explicit purpose for support is to sustain the Welsh language and promote and facilitate its use.

Theme 3 of the *Cymraeg 2050* strategy places an emphasis on creating favourable conditions for the Welsh language to survive and thrive, specifically with the aim of ‘Supporting the socioeconomic infrastructure of Welsh-speaking communities’. Many areas with a high density of Welsh speakers are those with a higher proportion of the population employed in agriculture, the public sector and tourism. *Cymraeg 2050* notes that it is important to sustain and grow communities with a high density of Welsh speakers.

The Bill will support and contribute towards *Cymraeg 2050* in a number of ways.

First, the Bill will provide the powers for farmers to be rewarded for undertaking actions in line with the SLM purposes, which will create a stable income stream for participating farms in rural communities. This income stream will be unaffected by changes in wider commodity markets and the trading environment and therefore help to create resilience for both farm businesses, including for agricultural tenants, and the wider community. The purposes for support include sustaining the Welsh language and promoting and facilitating its use, as well as purposes which will have a more indirect positive impact on the Welsh language, such as improving the resilience of agricultural businesses and helping rural communities to thrive.

Resilient agricultural businesses contribute to employment for younger Welsh speakers both now and in the future, on-farm and in local businesses, therefore supporting the agricultural industry and wider rural communities. This will help retain people in Welsh speaking communities and reduce the need for young people to seek employment elsewhere, helping to address the issue of outward migration in relation to the health of the Welsh Language.

Second, the proposed SFS will, through the framework of SLM, support farmers to manage their farms in a way that maintains and enhances the capability of agricultural land to support the needs of future generations. This will help to support the long-term resilience of rural, Welsh-speaking communities by ensuring that the land can continue to be farmed in the future.

Third, the proposed SFS will be accompanied by an advisory service to support farmers in regulatory compliance and scheme participation. This service could comprise of a mixture of delivery mechanisms, including on-farm visits by an advisor and peer-to-peer knowledge sharing opportunities. This advisory service will be provided bilingually, in line with the Welsh Language Standards and in support of *Cymraeg 2050*. This will give Welsh speakers the opportunity to use Welsh in the workplace, and more informally with peers, helping the use of Welsh to be part of everyday life.

In addition, the future Sustainable Farming Scheme will contain a collaborative element which will encourage and provide opportunities for farmers to work together over larger areas. Getting involved in collaboration will provide opportunities for Welsh speaking farmers to work together, give learners the opportunity to work alongside native speakers and practice their language skills, and give non-Welsh speaking farmers exposure to the language in their day-to-day work.

Applicants for the current Sustainable Management Scheme are asked to demonstrate how their proposals will support and encourage use of the Welsh language, and we are exploring how collaborative projects could be encouraged to do the same as we design this aspect of the proposed SFS.

Intervention in Agricultural Markets

The provisions will have a limited impact with regards to Cymraeg 2050: A million Welsh speakers and the related Work Programme for 2017-2021, as any impacts from the use of crisis intervention payments and Private Storage Aid will not directly affect the number of Welsh speakers. It may support objectives under Theme 3 of *Cymraeg 2050*, however, as financial support to farmers is likely to aid the maintenance of Welsh-speaking communities.

3. Describe and explain the impact of the proposal on the Welsh language, and explain how you will address these impacts in order to improve outcomes for the Welsh language.

How will the proposal affect the sustainability of Welsh speaking communities (both positive and/or adverse effects)?

SLM and future support

Sustaining the Welsh language and promoting and facilitating its use is set out as a purpose for support in the Bill, while other purposes for support will also provide an indirect contribution to the health of the Welsh language.

Research on ‘Small’ and ‘Very Small’ farms in Wales provides some understanding of the role of Welsh farms in their communities. Between them, these Small and Very Small farms account for 87% of all farms in Wales. While Very Small farms account for 59% of Welsh farms, they only account for 5% of standard output and cover 15% of farmland, while Small farms (28% of Welsh Farms) account for 22% of output and 45% of farmland.

The report describes the differences between Small and Very Small farms, with Small farms more likely to resemble a ‘traditional’ family farm and Very Small farms more likely to be considered a ‘lifestyle farm’.

The research found that farmers on Small farms were more likely than those on Very Small farms to:

- Have previous experience of farming*
- Have inherited or taken over the family farm
- Be generating income from the farm to make a living*
- Be reliant on trade surplus and BPS payments for their living
- Be participating in an agri-environment or conservation scheme*
- Be able to speak Welsh fluently*
- Speak Welsh daily
- Speak Welsh in the home*
- Be involved in ‘many’ social or farming organisations

- Engage, collaborate and socialise with other farmers*
- Report feeling part of the farming and rural communities

*Indicates that the finding is statistically significant.

Farmers on Very Small farms were more likely to have purchased their farm (a statistically significant finding), be involved in a 'few' social or farming organisations, and were twice as likely to be educated to degree level.

The report also looks specifically at the difference between Welsh-speaking and non-Welsh-speaking farmers and found that Welsh speakers were more likely to feel part of the rural community and reported higher levels of involvement in social and farming organisations than those who did not speak Welsh. Welsh speakers were also more likely to have inherited their farm, with non-Welsh speakers more likely to have purchased it.

These findings make a valuable contribution to the evidence base on the position of Welsh farmers in their communities. They suggest that the farmers who are farming to make a living, and are more likely to be engaging with government support schemes, are also those who are more likely to be Welsh speakers, part of well-established farming families, and have higher levels of participation in their local communities. It is important to note that the study does not consider the characteristics of Medium, Large, or Very Large farms. Given that these Small farms are more likely to be in receipt of BPS, then it follows that they will be more likely to be impacted by any changes to the support system, either positively or negatively. If farms are unable to continue trading, then there could be subsequent impacts for the local farming community, the local rural community, and the Welsh language, depending on what happens to the farm and the farming family in those circumstances.

An academic study regarding social capital in hill farming in Cumbria noted that having fewer large farms in an area is substantially different to having lots of small farms, in terms of social capital and scope for collaborative efforts. It also noted the strong bonds of trust and casual agreements that have developed and been in place over many years and multiple generations (e.g. for collaboration and commons grazing arrangements). The evidence from Cumbria suggests that changes in the number and structure of farms can lead to the weakening of social capital and community cohesion; in Wales, this could also impact on the Welsh language and the sustainability of Welsh speaking communities.

The Bill has four SLM objectives, which Ministers will need to consider as they make decisions regarding future support and regulation of agriculture in Wales. These concern the sustainable production of food and other goods, addressing the climate and nature emergency, and the conservation, enhancement, and promotion the countryside and cultural resources as well as sustaining, promoting, and facilitating the use of the Welsh language. The objectives are complimentary to existing Welsh Government legislation, commitments, and strategies, such as *Cymraeg 2050* and the *Wellbeing of Future Generations (Wales) Act*.

By supporting the sustainability of farms, they will become more resilient to the challenges presented by climate change and changes in the trading environment. In addition, by managing their land and producing food in a sustainable way, farmers will help safeguard the future viability of farming in Wales, thus supporting the resilience of Welsh speaking communities.

In their report on the triple challenges of Brexit, Covid-19 and Climate Change, Public Health Wales highlight that farmers, agricultural workers and those in rural communities may be disproportionately impacted by climate change through factors such as lost employment, reduced economic output and worsening working conditions due to extreme weather events. The Bill is designed to take action in the face of the climate emergency and build resilience to mitigate against the effects of climate change. This should, in turn, help support the sustainability of Welsh speaking rural communities.

The proposed SFS is being designed on the principle it should be available to all types of farm, including tenant farms. We are considering how we can structure payments, e.g. through capping, to ensure fair distribution in funding.

There will be a period of transition between the current system of support and the proposed SFS to allow farms to adjust and to ensure no farmer experiences a sudden cessation of their payments, regardless of whether or not they choose to join the new scheme. We will be consulting on our approach to this alongside our consultation on the final scheme proposals in 2023. In the interim we are introducing a framework of support for farms to take action in the face of the immediate challenges we face and prepare for the SFS. These initiatives will help mitigate against potential negative impacts on rural, and Welsh speaking, communities.

Intervention in Agricultural Markets

The provisions will have no impact on the status quo, but the continued ability of Welsh Ministers to support agricultural businesses in crisis should mean Welsh speakers in rural areas can continue to use the language in their community.

How will the proposal affect Welsh medium education and Welsh learners of all ages, including adults (both positive and/or adverse effects)?

There are no direct impacts on education, but maintaining a thriving agricultural industry provides opportunities for Welsh learners of all ages to use the language and develop their Welsh language skills within an industry where Welsh is used in many areas as the main language of communication. This contributes toward the *Cymraeg 2050* goal of creating favourable conditions for the Welsh language; a benefit to fluent speakers and learners alike.

Our proposals for the future Sustainable Farming Scheme continue to develop. As is currently the case through Farming Connect, the current Welsh Government Knowledge Transfer and Innovation Programme, there will be a variety of training opportunities available to those working in agriculture, which will be delivered bilingually, in line with the Welsh Language Standards. Bilingual courses and learning material will provide opportunities for learners to immerse themselves in the Welsh language, and become familiar with industry-specific terminology, which may encourage them to use Welsh more frequently in the course of their work.

How will the proposal affect services available in Welsh (both positive and/or adverse effects)? (e.g. health and social services, transport, housing, digital, youth, infrastructure, environment, local government etc.)

The proposed SFS will include provision of an advisory service, tailored to supporting the delivery of Sustainable Land Management purposes. This service will be delivered bilingually, in line with the Welsh Language Standards.

Farming Connect is in regular contact with a large proportion of Welsh farmers through its newsletters, knowledge transfer events and face to face support. The service provided via Farming Connect already hosts events and activities delivered in Welsh as the predominant language, which will continue to be a feature of the advisory service in the proposed SFS. This has a significant impact on the Welsh language service provided.

How will you ensure that people know about services that are available in Welsh and are able to access and use them as easily as they can in English? What evidence / data have you used to inform your assessment, including evidence from Welsh speakers or Welsh language interest groups?

All details in relation to the Bill and subsequent legislation, such as the SFS, will be available bilingually. In dealing with farmers through Rural Payments Wales online, 7.51% of contacts have requested communications in Welsh, however this does not reflect the level of engagement in Welsh; with many who have requested correspondence in English reverting to Welsh when having face to face or telephone conversations.

In their response to our consultation, *Sustainable Farming and Our Land*, the Welsh Language Commissioner reported hearing anecdotal evidence that written material in Welsh is not as accessible as equivalent material in English. It may also be the case that a lack of Welsh language options in the past has resulted in farmers having grown accustomed to conducting the paperwork aspect of their business in English, and simply requesting English correspondence by default. As we continue to develop the future SFS and associated support services, we will consider what can be done to ensure that Welsh language material is written in a style that reflects everyday speech and vocabulary. Encouraging Welsh speakers (and learners who feel able) to take up Welsh language correspondence options would contribute towards *Cymraeg 2050* by increasing the number of people using Welsh in their everyday lives.

What other evidence would help you to conduct a better assessment?

SLM and future support

To date, three consultations (*Brexit and our Land*, *Sustainable Farming and our Land*, and the Agriculture (Wales) White Paper) have been completed on the future of agricultural support in Wales. Respondents were asked to consider the impact of our proposals on the Welsh Language.

Brexit and our Land (2018) received 12,203 responses, 1,043 of which were substantive. Of these responses, a dominant view was that without a thriving agricultural sector rural communities would struggle to sustain themselves and that the Welsh language would suffer considerably. Respondents also emphasised that the *Cymraeg 2050* vision would only be achieved with a thriving rural economy.

Sustainable Farming and our Land (2019) received 3,322 responses, of which 508 were substantive. As with *Brexit and our Land*, respondents were clear that a strong rural economy was

vital for the Welsh language, and that agriculture is a crucial part of rural communities. Concern was noted therefore that anything which alters the structure of the agriculture sector has the potential to impact on the Welsh language.

In total, 1,119 responses were received over the course of the Agriculture (Wales) White Paper consultation, which also asked respondents to comment on the first draft of the Integrated Impact Assessments. This included 232 responses from individuals and organisations, and a further 887 submitted through a campaign organised by the League Against Cruel Sports. Respondents expressed similar sentiments to the previous two consultations with regard to the Welsh Language, and some offered suggestions on how the proposals could support Welsh language usage, including through encouraging greater bilingualism and the importance of using Welsh more routinely in Welsh Government and across departments.

The Farming Connect report '*Iaith y Pridd/The Language of the Land*' asked members of the farming community 'How can agriculture contribute to the aim of reaching a target of a million Welsh speakers by 2050?'. Six themes were raised, of which two are directly relevant to the Bill:

- The subsidies system – respondents emphasised that payments supporting the family farm enable families to stay in rural areas, which in turn supports the Welsh language;
- Supporting activity on the land – the view was expressed that a move away from active agricultural management of the land would reduce activity in the wider rural economy which in turn lead to a decline in of the Welsh language.

The future Sustainable Farming Scheme will be available to all types of farm and reward active management of the land. This will help to support farm businesses, the wider economy and helping to sustain resilient Welsh speaking rural communities. In addition, it is a key principle of the proposed SFS that farmers should be kept on the land and the strategic objectives of the Bill reflect this; the objectives relating to climate change and biodiversity are to be met alongside the objectives of sustainable food production and the conservation and enhancement of cultural resources, including sustaining, promoting, and facilitating the use of the Welsh language.

We have engaged in a programme of co-design with farmers and other land managers in our consideration of the Bill and the proposed SFS. This will help to ensure that any potential unintended consequences with regard to the Welsh language are identified and addressed as early as possible. As with the previous co-design work, the second phase was undertaken bilingually, and participants were able to engage in Welsh if they preferred.

Further analytical work is being carried out to inform scheme design and estimate the economic impact of the scheme at the farm business, sector and regional levels. The results of this work will inform the assessment of the potential positive and negative impacts of the proposed SFS on rural communities, and therefore the Welsh language. It will allow us to identify any potential negative impacts and take action to mitigate them where necessary.

Data from the 2021 Census will continue to provide further valuable information on the number of Welsh speakers within agriculture when it is published. We intend to make use of this data when we assess the impacts of the proposed SFS in more detail if we are able to do so.

This impact assessment is kept under active review as our policy proposals for the scheme, and the underpinning evidence, is developed.

Tenancies

No current data is collected or available regarding the number of Welsh-speaking tenant farmers and numbers of existing arbitration cases conducted in Welsh.

How will you know if your policy is a success?

The Bill provides the powers for monitoring and evaluation of SLM as a whole, and of schemes delivered under the purposes for support. A future monitoring and evaluation strategy will detail how Welsh Government intends to assess the delivery of environmental, economic, social and cultural outcomes.

Biodiversity Impact Assessment, at annex F below.

Please see Annex F for the Biodiversity Impact Assessment.

5.3 Climate Change

Climate change has been identified as one of the biggest threats facing our future generations. We need to reduce our emissions through decarbonisation action (5.3a) and to adapt to the impacts of climate change by increasing our resilience (5.3b).

5.3a Decarbonisation

How (either positively or negatively), and to what extent (significant/moderate/minimal impact), will the proposal affect emissions in Wales?

The impacts of climate change on agriculture and forestry in the UK have been extensively detailed¹¹⁴. Likewise, there is evidence concerning the impact of climate change on Wales' Natural Resources¹¹⁵, and on Wales' protected sites¹¹⁶.

In their report on land use, the UKCCC¹¹⁷ conclude "*Throughout the UK there is an urgent need for a new approach: the legislative opportunities for real change are available and should progress immediately*".

The Environment (Wales) Act 2016 commits the Welsh Government to reducing GHG emissions to net zero by 2050. The Bill sets mitigating and adapting to climate change as a strategic objective and is designed to help Wales decarbonise in a fair and prosperous way.

In 2019, agriculture accounted for 14% of Welsh emissions (5.3MtCO₂e)¹¹⁸. Emissions are primarily methane (66%) and Nitrous Oxide (22%). These emissions are mainly accounted for by:

- Enteric fermentation – 58%;
- Manure Management – 16%;
- Inorganic fertilisers and lime – 11%;
- Fuel for mobile machinery – 10%.

¹¹⁴ Morison, J. & Matthews, R. (eds.) (2016): Agriculture and Forestry Climate Change Impacts Summary Report, Living With Environmental Change.

¹¹⁵ Natural Resources Wales (2016). State of Natural Resources Report (SoNaRR): Assessment of the Sustainable Management of Natural Resources. Technical Report.

¹¹⁶ Natural Resources Wales (2018). Natura 2000 Thematic Action Plan Climate Change and Habitat Fragmentation, LIFE Natura 2000 Programme for Wales.

¹¹⁷ UK Committee on Climate Change (2020). Land use: Policies for a Net Zero UK.

¹¹⁸ <https://gov.wales/sites/default/files/publications/2021-10/net-zero-wales-carbon-budget-2-2021-25.pdf>

Maximising carbon storage and reduced greenhouse gas emissions are two of the purposes for future support defined in the Bill. These purposes will allow Ministers to directly support farms to decarbonise and help Wales meet the 2050 target. In many cases, support of the other purposes is also expected to contribute towards meeting this target, such as supporting agricultural businesses to manage energy efficiently and generate on-site renewable energy.

Reducing emissions

A report by *ERAMMP* examined the potential reduction in emissions from the management of livestock, manures and fertilisers.¹¹⁹ It found that a Maximum Technical Potential Reduction¹²⁰ of 22.5% for nitrous oxide and 32.4% for methane could be achieved by 2050 with the largest reductions gained through improved diet, management and genetics in dairy and beef and also an increase in Nitrogen use efficiency. Combined with improvements in agriculture engine emissions the report showed a potential for a reduction in emissions to 3.8 MtCO_{2e}/year.

Maximising carbon storage

To maximise carbon storage, existing carbon stocks need to be protected as well as the size of our stocks increased.

In Wales, woodland is the main sink for emissions¹²¹ (-1.27 MtCO_{2e}) followed by harvested wood products (-0.22 MtCO_{2e}).

Soils and biomass are an important sink for carbon sequestration but need to be managed appropriately in order to avoid them becoming a source of emissions.

In terms of sward management and grassland, evidence¹²² shows that “*Improved pasture lands contain large stocks of [carbon (C)] primarily because of their dominance in area coverage in Wales... soil C in pasture land to be equivalent to 47% of Wales’ soil carbon stocks to a 1m depth. Preserving these and all soil C stocks are critical if soils are not to contribute to further climate change when they should be helping mitigate climate change by ongoing C storage*”.

In the case of management of woodland stocks, evidence¹²³ also suggests that “*If a woodland is sustainably managed and each rotation of trees grows to return to the pre-harvest carbon stock, then the forest carbon stock is renewed on a cyclical basis. Furthermore, if the harvested wood is*

¹¹⁹ Prosser, H. (2022). *ERAMMP Report-68: Review of GHG Emission Reduction and Carbon Sequestration in Agriculture to Inform Agricultural and Land Use Policy*. Report to Welsh Government (Contract C210/2016/2017) (UKCEH 06297/06810)

¹²⁰ At current production levels

¹²¹ <https://gov.wales/sites/default/files/publications/2021-10/net-zero-wales-carbon-budget-2-2021-25.pdf>

¹²² Emmett, B.A. et al. (2019). Report 10b: Considerations for the new scheme. *ERAMMP Report to Welsh Government* (Contract C210/2016/2017) (CEH NEC06297).

¹²³ Emmett, B.A. et al. (2019). Report 10b: Considerations for the new scheme. *ERAMMP Report to Welsh Government* (Contract C210/2016/2017) (CEH NEC06297).

used in products with a long lifespan this can result in a timber production woodland system contributing more to climate change mitigation than an unharvested woodland. This benefit will be magnified further if the use of these harvested wood products: (a) substitutes for materials like concrete, steel or plastic; and (b) substitutes for wood imported from countries where the production forests are not managed sustainably”.

Expansion of woodland and hedgerows is a fundamental way to increase carbon sequestration. The UKCCC has recommended Wales achieves 45,000ha of new woodland planting by 2030 and 180,000ha by 2050. Reaching this target could lead to additional Land Use, Land-Use Change and Forestry (LULUCF) emissions reductions of up to 304 kt CO₂e/yr in 2050¹²⁴, a reduction of 2176 kt CO₂e/yr.

Achieving and promoting high standards of animal health and welfare

Healthy animals are more productive. Fewer healthy animals are required to produce the same amount of produce compared with unhealthy ones, resulting in fewer greenhouse gas emissions (GHGE).

The Welsh Government commissioned a unique study, using life cycle analysis techniques, to determine the impact of Bovine Tuberculosis (TB) on GHGE¹²⁵. The study showed eradication of TB in Wales would reduce GHGE from the cattle sector by approximately 2% through reduced wastage and greater efficiency – a small, but significant, contribution to the overall goal of reducing GHGE from farming.

There are many endemic diseases whose control could bring about even greater GHGE reduction. However, quantifying the impact is complex and expensive, and resource has, until now, largely been focussed on making health improvements, rather than measuring GHGE impacts of those improvements.

SLM and the powers of support are designed to enable the delivery of improved and enhanced animal health and welfare. As outlined above, prevention of disease should result in healthier and more productive animals, with fewer animals emitting fewer emissions. Preventing large scale animal disease outbreaks will reduce the chance and scale of the environmental impact such outbreaks have, both in terms of the outbreak itself and the actions required in responding to it. The 2001 Foot and Mouth Disease outbreak required the disposal of approximately six million animals via mass burial, pyre burning and rendering, impacting on the quality of water, air, and land. Furthermore, the intensive use of over 1.3 million litres of Government approved disinfectant, which was required to clean infected premises and at road access points across England and Wales by October 2001, accounted for 18% of all pollution incidents recorded during the outbreak. There were also longer term effects, as biological sewer treatment processes at small plants were

¹²⁴ Prosser, H. (2022). ERAMMP Report-68: ERAMMP Report-68: Review of GHG Emission Reduction and Carbon Sequestration in Agriculture to Inform Agricultural and Land Use Policy. Report to Welsh Government (Contract C210/2016/2017) (UKCEH 06297/06810)

¹²⁵ Williams, A. & Sanders, D. (2016). Greenhouse Gas Emissions from bovine tuberculosis (bTB) in Wales. Report for the Welsh Government (available on request)

disrupted¹²⁶. Whilst animal disease outbreaks cannot be predicted, increased preventative action through enhanced biosecurity and animal health and welfare should reduce the likelihood of occurrence and, should they occur, scale. This should reduce the environmental impact and the potential implications resulting from responsive action.

Tenancies

We expect the provisions will facilitate compliance with statutory duties and scheme entry for some agricultural tenants who may otherwise have been restricted by clauses written into their leases several years ago. This will further support decarbonisation.

Marketing Standards

The provisions could have an impact on emissions in Wales. Any secondary legislation made through powers granted in these provisions could influence production methods or consumer choice in a way which would have an impact on emissions, but this cannot be calculated here.

Summary

SLM and the purposes for future support defined in the Bill will allow support for farm businesses to undertake farming practices to achieve reductions in emissions and increases in carbon storage.

Therefore, depending on the level of funding and future scheme participation, the impact of the scheme on decarbonisation has the potential to be significant. The Cost-Benefit analysis of the Bill contains a further assessment of potential emissions impacts.

Assessment using the HM Treasury Green Book Greenhouse Gas valuation methodology¹²⁷

The HM Treasury Green Book, which provides guidance on how to appraise and evaluate policies, projects, and programmes, has been used by the ERAMMP consortium to develop logic chains, which set out the relationship between the social value of ecosystem goods and services and SLM actions. The logic chains¹²⁸ include the following:

- Climate regulation;
- Increased tree cover;
- Saltmarsh;
- Peatland;
- Grassland;

¹²⁶ http://environmentdata.org/archive/ealit:4290/OBJ/x69_EA_Footandmouthdisease_2001_0.pdf

¹²⁷

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/685903/The_Green_Book.pdf

¹²⁸ https://erammp.wales/sites/default/files/ERAMMP%20Rpt-40%20SFS%20Logic%20chains%20v1.0_en.pdf

- Decarbonisation.

This work has informed our impact assessment regarding potential decarbonisation effects of the scheme proposals.

The Cost-Benefit Analysis of the Bill provides an assessment of potential effects on Greenhouse Gas emissions using the HM Treasury Green Book methodology.

5.3 b Adaptation

How (either positively or negatively), and to what extent (significant/moderate/minimal impact), will the proposal affect ability to adapt to the effects of climate change?

The 2021 Programme for Government makes the commitment to embed our response to the climate and nature emergencies in everything we do. The Bill is a key part of this commitment and sets mitigating and adapting to climate change as a strategic objective. When exercising their functions under the Bill, Ministers will have to consider how they can best deliver this alongside the other SLM objectives. Without mitigation and adaptation to climate change, the resilience of our ecosystems, the sustainable production of food and our cultural resources are under threat.

Agriculture is particularly vulnerable to the effects of climate change:

In the context of livestock farming, evidence¹²⁹ suggests that “...*climate change is a threat to livestock production because of the impact on quality of feed crop and forage, water availability, animal and milk production, livestock diseases, animal reproduction, and biodiversity... the livestock sector will be a key player in the mitigation of GHG emissions and improving global food security. Therefore, in the transition to sustainable livestock production, there is a need for: a) assessments related to the use of adaptation and mitigation measures tailored to the location and livestock production system in use, and b) policies that support and facilitate the implementation of climate change adaptation and mitigation measures*”.

In the context of arable crops, evidence¹³⁰ suggests that the “...*key effects [of climate change] will be felt through changes in the timing of the crop calendar and hence the farming year in: quality, yield, pest and disease management and crop distribution. Farmers may adapt readily to changes in average climate since effects will be gradual, but adaptations to some extremes will require more forward planning. Possible adaptation options by farmers, e.g. changing crop cultivars, and the wider industry, e.g. developing new varieties, need to be considered*”.

¹²⁹ Rojas-Downing, M., Nejadhashemi, A., Harrigan, T., & Woznicki, S. (2017). Climate change and livestock: Impacts, adaptation, and mitigation. *Climate Risk Management*, 16, 145-163.

¹³⁰ Hughes, G., & Hossel, J. (2008). Adapting UK arable agriculture to climate change. In *HGCA conference* (pp. 23-24).

In the context of dairy farming, evidence¹³¹ suggests that “...it is essential to establish and adopt mitigation strategies covering available tools from management, nutrition, health and plant and animal breeding to cope with the future consequences of climate change on dairy farming”.

Further evidence on the need for resilience to be built into the agricultural sector due to the prospect of climate change can be found in the Wales Rural Development Programme SWOT analysis¹³².

Powers of support

The powers of support will allow action to be taken to adapt to the effects of climate change and increase the resilience of farm businesses.

In addition to actions specifically targeted at climate change adaptation, SLM and the powers of support will enable support to farms to become sustainably productive, managing land within their productive capacity. This sustainable management of natural resources should improve the condition of our ecosystems, which in turn increases the ability of the environment to mitigate the effects of climate change. For example, increased tree cover can have a cooling effect and also mitigate flood risk. Improving soil health and structure, together with increasing soil organic matter, will allow more rapid infiltration of surface water and its retention within the soil for longer periods of time than would otherwise be the case. Soil quality improvements will also contribute to improved water quality.

Changing climates and rising temperatures increase the risk of certain animal diseases, in particular vector borne diseases. Bluetongue Virus, for example, is a disease transmitted by midges, which have a higher survival rate in warmer temperatures. Additionally, warmer temperatures alter the migratory patterns and routes of wild birds, presenting an increased risk of avian influenza (AI) to our national flock. Increased animal health, welfare and biosecurity should act to minimise disease risks, including the increased disease risk created by climate change.

Tenancies

We expect the provisions will facilitate compliance with statutory duties and scheme entry for some agricultural tenants who may otherwise have been restricted by clauses written into their leases several years ago. This will further support adaptation to climate change.

Marketing Standards

The effects of climate change will be felt most keenly by agricultural businesses, where extreme weather events and changes to the atmosphere have a big impact on production. It is unlikely that

¹³¹ Gauly, M., et al., (2013.) Future consequences and challenges for dairy cow production systems arising from climate change in Central Europe-a review.

¹³² United Kingdom – Rural Development Programme (Regional) – Wales. Page 81 onwards.
<https://gov.wales/sites/default/files/publications/2019-07/rural-development-programme-document-2014-to-2020.pdf>

changes to marketing standards regulations will have a noticeable impact on adaptation to climate change.

Summary

We expect the Bill to positively and, for farmers receiving future support, significantly affect their ability to adapt to the effects of climate change such as increased temperatures, stronger winds, and more rain.

5.4 Strategic Environmental Assessment (SEA)

Please explain your decision about whether or not an SEA is required by law.

SLM, powers of support, tenancies, forestry

The Bill is strategic and not ascribed to a specific area in Wales therefore an SEA is not required. This will be reviewed for any associated secondary legislation.

5.5 Habitats Regulations Assessment (HRA)

Please explain your decision about whether or not an HRA is required by law.

SLM, powers of support, tenancies, forestry

We are unable to ascribe any impacts to specific protected sites due to the strategic nature of the Bill, therefore a HRA will not be needed. This will be reviewed for any associated secondary legislation.

5.6 Environmental Impact Assessment (EIA)

Please explain your decision about whether or not an EIA is required by law.

SLM, powers of support, tenancies, forestry

The Bill will enable support for changes in land use, including afforestation. Individual projects for tree planting under future support schemes, e.g. the Sustainable Farming Scheme, will be subject to the same EIA process as currently.

SECTION 6. SOCIO-ECONOMIC DUTY WHAT WILL BE IMPACT ON SOCIO-ECONOMIC DISADVANTAGE?

6.1 The Socio-economic Duty.

The socio-economic duty requires relevant public bodies, including Welsh Ministers to have due regard to the need to reduce inequality of outcome that results from socio-economic disadvantage. This duty applies only to decisions which are of a strategic nature.

Sustainable Land Management (SLM) and future support

Please refer to Annex G for the full Socio-Economic Duty Impact Assessment.

Tenancies

The decision to take powers as proposed in relation to tenancies is not strategic in nature, therefore we have taken the decision not to perform a full socio-economic duty impact assessment for these provisions. We expect the provisions will facilitate compliance with statutory duties and entry to the proposed Sustainable Farming Scheme for some agricultural tenants who may otherwise have been restricted by clauses written into their leases several years ago; a full impact assessment of the future scheme will be published.

SECTION 7. RECORD OF FULL IMPACT ASSESSMENTS REQUIRED

Impact Assessment	Yes/No	
Children's rights	Yes	Complete – please see Annex A
Equality	Yes	Complete – please see Annex B
Socio-economic Duty	Yes	Complete – please see Annex G
Rural Proofing	Yes	Complete – please see Annex C
Health	Yes	Complete – please see Section 2
Privacy	Yes	Complete – please see Annex D
Welsh Language	Yes	Complete – please see Annex E
Economic / RIA	Yes	Complete – please see Section 4
Justice	Yes	Complete – please see Section 4
Biodiversity	Yes	Complete – please see Annex F
Climate Change	Yes	Complete – please see Section 5
Strategic Environmental Assessment	No	Not required
Habitat Regulations Assessment	No	Not required
Environmental Impact Assessment	No	Not required

SECTION 8. CONCLUSION

8.1 How have people most likely to be affected by the proposal been involved in developing it?

Consultations

In July 2018, we published the *Brexit and Our Land* consultation. Over 12,000 responses were submitted. This included over 1,000 substantive responses with the remaining responses coming from seven unique campaigns.

In July 2019, we published the *Sustainable Farming and our Land* consultation. Over 3,300 responses were received over the course of the consultation. Just over 500 were unique responses from individuals and organisations with the remainder made up of three distinct campaigns.

In December 2020 we published the Agriculture (Wales) White Paper consultation. We received 232 unique responses and a further 887 from one campaign.

We have also published a summary of responses^{133,134,135} and our own response to the views expressed for each of these three consultations^{136,137,138}.

Across these consultations we have engaged directly with farmers and other rural stakeholders at regional agricultural shows and a range of dedicated events to further explain and discuss our proposals.

Those who submitted individual responses to our consultations represented a diverse range of voices and perspectives. The largest proportion of respondents reported they were directly engaged in farming, while the second largest groups of respondents were individuals and organisations with environmental interests.

In each of our consultations we have sought views on the effects our proposals may have on the Welsh language and how they could be formulated to have a positive impact.

Co-design and wider stakeholder engagement

¹³³ <https://gov.wales/sites/default/files/consultations/2019-05/summary-of-responses-brexit.pdf>

¹³⁴ https://gov.wales/sites/default/files/consultations/2020-05/sustainable-farms-summary-of-responses_1.pdf

¹³⁵ <https://gov.wales/sites/default/files/consultations/2021-09/agriculture-wales-bill-summary-of-responses.pdf>

¹³⁶ <https://gov.wales/sites/default/files/publications/2020-08/brexit-and-our-land-our-response.pdf>

¹³⁷ <https://gov.wales/sites/default/files/consultations/2020-07/our-response-sustainable-farming-and-our-land.pdf>

¹³⁸ <https://gov.wales/sites/default/files/consultations/2021-09/agriculture-wales-bill-our-response-forward-plan.pdf>

While developing the Bill we have sought the views of stakeholder organisations such as the farming unions, environmental organisations and those who represent specific sections of the sector such as the Tenant Farmer Association and the Country Land and Business Association. We also received consultation responses from the Welsh Language Commissioner and Young Farmer Associations.

We have engaged with over 1,900 stakeholders (the majority of whom were farmers) through the first phase of co-design to gain insight into their views on our proposals for a Sustainable Farming Scheme (SFS).

This project consisted of a survey, workshops, and one-to-one interviews, all of which were available bilingually. Participants were able to complete the survey in English or Welsh and were offered the choice of which language they would prefer for the workshops and interviews. Potential impacts on the Welsh language were also explored.

Our second phase of co-design was undertaken in 2022, and the results of this, alongside further engagement with stakeholders, will help us develop our proposals before consultation on the final scheme in 2023. As with the first phase, all aspects of this project will be made available bilingually.

Engagement to inform evidence

There are a range of evidence and analyses which have informed the development of the Bill, and our assessments of the identified impacts. An earlier draft of the Integrated Impact Assessment was consulted on alongside the White Paper in 2020. Feedback on that draft has been considered and informed this final version. Further impact assessments will be completed for any subsequent secondary legislation.

The Regulatory Impact Assessment of the Bill has been informed by a reference group of external stakeholders which was established to provide expert input and technical guidance on the assessment of the costs, benefits and monetisation of the options assessed.

Snares and Glue traps

Following the announcement of the intention to ban the use of snares in Wales, officials have met with representatives of snare users, such as the Game & Wildlife Conservation Trust and the British Association of Shooting and Conservation to listen to their concerns. Stakeholder engagement has been on-going since 2014 when officials began drafting the Code of best practice on the use of snares in fox control (the 'Code'). Since publication of the Code in 2015, annual engagement with and evidence gathering from stakeholders has taken place. The sessions, both in person and via email, were intended to monitor the effectiveness of the Code.

A targeted stakeholder consultation on glue traps was conducted between November 2021 and January 2022, with responses from local authorities, animal welfare organisations and pest control bodies received. In May 2022 officials also met with a representative from the British Pest Control Association to discuss the impact of the ban on glue traps on the industry in Wales.

Carcass classification

Rural stakeholders were consulted as part of the consultation on the Agriculture (Wales) Bill. The comments received on this proposal were supportive overall but stressed the importance of consistent standards across Great Britain.¹³⁹

Intervention in Agricultural Markets

The proposal formed part of the consultation on the Agriculture (Wales) Bill, where it received broad support from stakeholders.¹⁴⁰

8.2 What are the most significant impacts, positive and negative?

Traditionally, support for agriculture has been focussed on policies that have increased agricultural production and provided cheaper food. These policies have resulted in increased levels of production per hectare for many, but this increase has come at a wider environmental and societal cost. The impacts of some intensification practices on farmland biodiversity, air and water quality, public health and the climate are issues that must be urgently addressed.

The Bill is designed to support the agriculture sector while delivering against the challenges of the climate and nature emergencies. The Well-being of Future Generations (Wales) Act 2015 and the Environment (Wales) Act 2016 establish an important legislative framework, focused on sustainability, upon which our proposals for future land management policy are based. This framework also underpins our legislative provisions.

The Bill includes strategic objectives that balance the needs of farmers, the environment, and people of Wales more widely. Any future support for the agricultural sector will need to deliver against the Sustainable Land Management framework, and the Bill sets out the purposes for which any future scheme may provide support.

Setting the objectives of Sustainable Land Management (SLM) for agricultural support is expected to have a positive impact on farmers and rural communities through increasing the sustainability of farm businesses. This will also help increase resilience to the future trading environment and the effects of the climate and nature emergencies; Public Health Wales have identified farming as being particularly vulnerable to the impacts of climate change¹⁴¹.

Supporting farmers to deliver SLM outcomes will increase the ecological resilience of the land they manage and the economic resilience of their businesses. Improving the efficiency of the farm business model within the natural capacity of the land will enable current and future generations to continue farming, offering long-term resilience to the communities they are embedded in. This is expected to have positive onward impacts for rural communities in Wales, keeping farms at the

¹³⁹ <https://gov.wales/sites/default/files/consultations/2021-09/agriculture-wales-bill-summary-of-responses.pdf>, p.82

¹⁴⁰ <https://gov.wales/sites/default/files/consultations/2021-09/agriculture-wales-bill-summary-of-responses.pdf>, pp.81-2

¹⁴¹ <https://phw.nhs.wales/publications/publications1/rising-to-the-triple-challenge-of-brexit-covid-19-and-climate-change-for-health-well-being-and-equity-in-wales/>

heart of their communities, providing trade for local businesses, and offering opportunities for employment.

The provision to support farmers to deliver these outcomes will also offer an alternative revenue stream, unaffected by changes in trading conditions. This income stream should also support resilient rural communities, particularly for local businesses which rely on custom from farms, in line with the objectives of the Bill.

Farmers will be required to undertake action to receive funding and there is a potential for a differential economic impact on farmers in different sectors/regions.

In addition, concerns were raised, through responses to our previous consultations and our first phase of co-design, about the potential impact of a new scheme on rural areas and the subsequent effect on the Welsh language. Purposes for support regarding the resilience of rural communities, the Welsh language, and the sustainability of farm businesses, will help rural communities to thrive and safeguard the use of the Welsh language for current and future generations. Sustaining, promoting, and facilitating the use of the Welsh language is also part of the fourth SLM objective. The Welsh Government has committed to undertaking an economic analysis of the proposed Sustainable Farming Scheme. This analysis will consider upstream and downstream economic impacts of the proposals and allow us to identify any potential negative impacts on the Welsh language.

By supporting farming to deliver within the SLM framework we should see the delivery of outcomes such as improved air and water quality, where this is currently affected by agriculture. This is vital for the health of our nation, and for the well-being of future generations.

The support provided by the powers within this Bill will be key to the Welsh Government meeting its commitment to deliver against its Net Zero and Biodiversity targets.

Forestry

There is concern from the forestry sector that providing Natural Resources Wales (NRW) with powers to add conditions to felling licenses will result in ‘mission creep’ over time, with increasing numbers of conditions added to licenses and use of powers to amend/suspend/revoke licences already granted. This would be detrimental to the operation of the sector and Welsh Government’s objective of bringing more woodlands into management. We expect the application of powers by NRW to comply with Public Law principles, the regulators’ code and NRW’s own Regulatory Principles which will serve to counteract this. It is proposed that clear applicant guidance accompanies these powers so applicants and permit holders are clear on when these powers will be used and what is required.

Snares and Glue traps

The ban on the use of snares and the use of glue traps is expected to have a positive impact on animal welfare standards in Wales. Not only will fewer target ‘pest’ animals suffer as a result of being caught by either snares or glue traps, but it is expected that non-target animals – which often

fall victim - will also benefit. Increased standards in animal welfare clearly benefits wider society¹⁴². It contributes to wellbeing and to a pride in Wales' reputation as a nation that respects and protects animals. The ban also offers the opportunity to discuss animal control in a wider context to challenge concepts of what constitutes a 'pest' and how such terms can contribute to a negative image of certain animals. All animals are sentient, capable of experiencing pain and suffering, and the Welsh Government works to ensure legislation and practice reflects that – with the ban on the use of snares and the use of glue traps being another significant step.

Carcass Classification

In practical terms, the impact from the provisions will be small. Welsh Ministers will be able to retain their powers in relation to setting the standards for Carcass Classification, and for farmers this will mean the same point of reference for the harmonisation of classification standards. The maintenance of Welsh Ministers' powers in this area will also ensure the continued functioning of devolution with regards to agriculture.

Intervention in Agricultural Markets

In practical terms, the impact from the provisions will be small. Welsh Ministers will be able to retain their powers in relation to agricultural Market Intervention, and for farmers this will mean they can expect the same set of response mechanisms should a crisis arise. The maintenance of Welsh Ministers' powers in this area will also ensure the continued functioning of devolution with regards to agriculture.

8.3 In light of the impacts identified, how will the proposal:

- **maximise contribution to our well-being objectives and the seven well-being goals; and/or,**
- **avoid, reduce or mitigate any negative impacts?**

SLM and the well-being goals

The SLM Framework provides a basis from which a range of environmental, social and economic outcomes can be achieved in line with the Well-being of Future Generations (Wales) Act 2015 and the Environment (Wales) Act 2016.

The Bill sets four SLM objectives which Ministers must consider when deciding how best to exercise any function, e.g. provision of support, in relation to agriculture. These objectives are explicitly underpinned by consideration of their contribution to the well-being goals. This will ensure future agricultural policy meets the needs of the present without compromising the ability of future generations to meet their own needs.

¹⁴² https://www.cafonline.org/docs/default-source/about-us-research/uk_giving_report_2021.pdf. This report has found that the pandemic has not affected the British public's enthusiasm for animal welfare as evidenced in donations – with 27% of donors supporting animal charities, totalling an estimated £1billion.

Mitigation of potential impacts

We recognise the importance of any potential economic impact on the sector, rural communities, and the potential for varying impacts across different areas of Wales. The cost-benefit analysis accompanying the Bill shows an initial assessment based on the delivery of a range of SLM interventions. Proposals for the SFS continue to develop and we will be undertaking further economic analyses to inform scheme design and allow a final decision to be made about the scheme. Results from our second phase of co-design will also help us understand and mitigate any potential impacts.

The SFS is being designed on the principle it should be available to all types of farm, including tenants and those with rights to common land. Our proposals for a set of universal actions for the scheme will mean the scheme is accessible to active farmers who meet good environmental and animal health standards. This will give farmers stability and provide a foundation for those wishing to choose additional actions for further payment.

We are considering how we can structure payments at the different layers of the scheme, e.g. through capping, to ensure a fair distribution of funding.

A period of transition between the current system of support and the SFS will be introduced to allow farms to adjust and ensure that farmers do not experience a sudden cessation of their payments, regardless of whether or not they choose to enter the proposed SFS. We will be consulting on our approach to this alongside our consultation on the final scheme proposals in 2023.

In the interim we are introducing a framework of funding support for farms to take action in the face of the immediate challenges we face and prepare for the SFS. These initiatives will prepare farms for the new system of support.

The scheme will be accompanied by an advisory service, also to be known as Farming Connect, which will be available to all farms across Wales. This service will be available bilingually and will support farms to transition into the SFS and perform the actions within the scheme. This service will help ensure farms have access to the advice and guidance needed to adjust to the changes.

The Bill provides the powers for monitoring and reporting of SLM as a whole, and of future support, building on the current Glastir Monitoring and Evaluation Plan. A future monitoring and evaluation strategy will detail how Welsh Government intends to assess the delivery of environmental, economic, social and cultural outcomes, and identify impacts during the life of the scheme.

The monitoring and evaluation strategy will also inform a regular review of scheme design to ensure it is still fit for purpose.

8.4 How will the impact of the proposal be monitored and evaluated as it progresses and when it concludes?

SLM and powers of support

Ministers will be required to report progress against the four SLM objectives and will have the powers to enable monitoring, reporting and evaluation of any support under the powers of support (i.e. for any support scheme, and whether the support is financial and/or non-financial).

A monitoring and evaluation strategy will set out how SLM and future schemes, including the SFS, will be judged in terms of value for money and the outcomes it has delivered for Wales.

The strategy will recognise the long-term nature of the outcomes sought and identify interim measures which can demonstrate progress.

Snares and glue traps

The Welsh Government provides the funding for the All-Wales Wildlife and Rural Crime Coordinator, a police role that coordinates across all four police forces. Work to assess the efficacy of the ban on snares and glue traps will form part of this work through which there will also be opportunities for sector representatives to provide evidence on how each ban is working in practice.

SECTION 9. DECLARATION

Declaration

I am satisfied that the impact of the proposed action has been adequately assessed and recorded.

Name of Senior Responsible Officer / Deputy Director:

Department:

Date:

FULL IMPACT ASSESSMENTS

A. CHILDREN'S RIGHTS IMPACT ASSESSMENT

The Rights of Children and Young Persons (Wales) Measure 2011 places a duty on the Welsh Ministers to pay due regard to the United Nations Convention on the Rights of the Child (UNCRC) and its Optional Protocols when exercising any of their functions.

The Children's Rights Impact Assessment (CRIA) process is the agreed mechanism officials should use to support Ministers to meet this duty and ensure they give balanced consideration to children's rights in their decision making.

1. Policy objectives

The Bill sets Sustainable Land Management (SLM) as the future policy framework for agriculture support in Wales. SLM is designed to meet the challenges of the climate and nature emergencies whilst enabling and supporting the sustainable production of food and the protection of our natural resources, culture and heritage.

The Bill will provide Ministers with the power to provide support for agriculture in Wales. Future use of these powers will need to consider how best the SLM objectives can be achieved. There are a range of additional provisions contained in the Bill; please see Section 1 of this document for details.

This impact assessment is assessing the decision to introduce the primary legislation of the Bill. Use of the powers in the Bill, e.g. opening of schemes to deliver SLM, will be subject to further impact assessment, including of the impact on Children's Rights.

2. Gathering evidence and engaging with children and young People

Climate Change

Unicef have declared that the climate crisis is a children's rights crisis¹⁴³. The basic rights of access to clean water, clean air and health are threatened by climate change and children are disproportionately vulnerable.

The Children's Climate Risk Index¹⁴⁴ assesses children's exposure and vulnerability to climate change hazards across the world. This index is structured according to two pillars:

- 1) Exposure to shocks and stresses such as air pollution, flood, water pollution;
- 2) Vulnerability in terms of health, nutrition, access to education, sanitation, and poverty.

¹⁴³ https://www.unicef.org/reports/climate-crisis-child-rights-crisis?utm_campaign=climateindex&utm_source=twitter&utm_medium=organic-

¹⁴⁴ <https://www.unicef.org/media/105376/file/UNICEF-climate-crisis-child-rights-crisis.pdf>

The UK has been scored ‘medium’ on the risk index (point three on a five-point scale where five is most at risk) due to a high exposure to environmental shocks and hazards, indicating that children’s rights in the UK are threatened by climate change.

There is also evidence that children and young people are worried about the uncertain future as a result of climate change and this can lead to negative mental health and wellbeing^{145,146}.

Taking action to mitigate climate change and reduce exposure to hazards such as air pollution and extreme weather events, should therefore reduce threats to the rights of children in Wales and improve wellbeing.

The Bill sets mitigating climate change as an objective of SLM. This will ensure that the climate emergency is addressed in future support for agriculture. The purposes for support will allow direct action to mitigate this risk and therefore positively benefit children.

Different groups

To the extent that poor air and water quality disproportionately affect those living in low-income households (in deprived areas), the Bill should positively impact on the well-being of children in low income households.

We note in our Equality Impact Assessment that the Bill is designed to generate environmental outcomes, which will impact positively on each of the three physical environment sub domains (air quality; flood risk; and access to green space) of the Welsh Index of Multiple Deprivation (WIMD)¹⁴⁷. As such, this could reduce the number of areas shown as being environmentally deprived under the physical environment domain in the WIMD, and positively benefit children in these areas. These benefits include reducing the health risks posed by air pollution, reducing the risk of flooding events and the danger and disruption they can cause for children, and increasing the opportunity to enjoy the physical and mental health benefits of increased access to green space.

Children in rural areas are likely to be more vulnerable to the effects of severe weather events such as flooding. SLM and the powers of support will enable support for action to mitigate against these events and therefore children in these areas could particularly benefit. Helping rural communities to thrive is also set as a purpose for support in the Bill.

Our Welsh Language impact assessment outlines potential impacts on Welsh speakers, particularly those in rural areas.

¹⁴⁵ Young People's Voices on Climate Anxiety, Government Betrayal and Moral Injury: A Global Phenomenon by Elizabeth Marks, Caroline Hickman, Panu Pihkala, Susan Clayton, Eric R. Lewandowski, Elouise E. Mayall, Britt Wray, Catriona Mellor, Lise van Susteren :: SSRN, https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3918955

¹⁴⁶ Sanson (2019) Responding to the Impacts of the Climate Crisis on Children and Youth (wiley.com) <https://srcd.onlinelibrary.wiley.com/doi/pdfdirect/10.1111/cdep.12342>

¹⁴⁷ Welsh Government (2019) Welsh Index of Multiple Deprivation (WIMD) Results Report.

What participatory work with children and young people have you used to inform your policy? If you have not engaged with children and young people, please explain why.

While children in farming families may undertake age-appropriate activities on the farm, children will not be formal participants of future schemes nor be responsible for carrying out agricultural activities. Nonetheless, all children are expected to benefit from the delivery of SLM, resilient rural communities and the sustainability of the agricultural sector over the long-term. In addition, young people in farming families will have the opportunity to gain knowledge and skills relating to SLM, and will be able to use such knowledge and skills in the future, should they take over the farm or begin farming elsewhere. As such, the resilience of farm businesses is referenced within the objectives of the Bill. The purpose for support to improve the resilience of agricultural businesses will also help to support the longevity of these businesses for future generations.

Responses to our previous consultations¹⁴⁸ have included those from organisations representing younger/the next generation of farmers and we expect to continue this engagement for the development of the proposed Sustainable Farming Scheme (SFS).

3. Analysing the evidence and assessing the impact

Using the evidence you have gathered, what impact is your policy likely to have on children and young people? What steps will you take to mitigate and/or reduce any negative effects?

Based on the evidence collated to date, we expect the Bill to positively impact on the lives of children. Positive impacts relate to the outcomes SLM is intended to generate – better air quality, better water quality, more resilient ecosystems and species recovery, improved access opportunities to the countryside for exercise and social wellbeing, protection of landscape features and mitigation against climate change. These outcomes should positively affect the lives of children, now and in the future.

In the Health Impact Assessment, we have noted the potential of the expected environmental outcomes to impact positively on the health outcomes of the population generally. Better air quality, for example, is likely to benefit children – Public Health Wales¹⁴⁹ notes *“It is well-documented that different people are affected in different ways by air pollution exposure; for example, children, older people and those with chronic lung or heart conditions are considered more vulnerable to the effects of air pollution exposure”*.

An expected positive impact of SLM on children is also expected from an increase in the resilience of agricultural businesses, set as one of the purposes for support within the Bill, in line with the

¹⁴⁸ <https://gov.wales/sites/default/files/consultations/2019-05/summary-of-responses-brexite.pdf>
https://gov.wales/sites/default/files/consultations/2020-05/sustainable-farms-summary-of-responses_1.pdf
<https://gov.wales/sites/default/files/consultations/2021-09/agriculture-wales-bill-summary-of-responses.pdf>

¹⁴⁹ Public Health Wales and Welsh Government (2018) Working together to reduce outdoor air pollution, risks and inequalities. Guidance to support policy and practice development across the NHS in Wales.

SLM objectives. Resilient agricultural businesses should support resilient rural communities, which in turn will benefit children in these areas. There may be an economic impact of future support, including the proposed SFS, which could impact on children.

SLM and the powers of support aim to ensure that there is a resilient agricultural sector for current and future generations, which should positively impact on children. As outlined in our Welsh Language and Rural Proofing Impact Assessments, changes to the agriculture industry have the potential to impact both rural communities and the Welsh language, which in turn may impact children.

Healthier animals with high standards of welfare help build resilience into rural economies and communities (explored further in the Rural Proofing Impact Assessment), providing opportunities and possible positive impacts for children and young people in those communities.

The SLM purposes will support the resilience of rural and Welsh speaking communities, thus positively impacting on the lives of the children in these areas and across Wales.

Tenancies

We expect the tenancy provisions in the Bill to facilitate compliance with statutory duties and entry to future schemes, including the SFS, for some agricultural tenants who may otherwise have been restricted by clauses written into their leases several years ago. It is anticipated this will positively impact children of such tenant farmers by improving the economic resilience of the business.

In addition, delivery of SLM on such tenanted farms will contribute to delivery of future scheme outcomes such as climate change mitigation, reversing the decline of biodiversity and addressing public health issues associated with agricultural emissions. The outcomes will have a positive affect the lives of children, now and in the future.

How does your proposal enhance or challenge children's rights, as stipulated by the UNCRC articles and its Optional Protocols?

UNCRC Articles or Optional Protocol	Enhances (X)	Challenges (X)	Explanation
<ul style="list-style-type: none"> Article 24 (health and health services): Every child has the right to the best possible health. Governments must provide 	X		<p>Children are disproportionately vulnerable to the effects of climate change. Exposure to hazards such as air pollution and extreme weather events can threaten health and wellbeing.</p> <p>The Bill will enable support for the delivery of Sustainable Land</p>

good quality health care, clean water, nutritious food, and a clean environment and education on health and well-being so that children can stay healthy. Richer countries must help poorer countries achieve this.			Management purposes for support such as clean air, improved water quality, ecosystem resilience and enhanced access to the countryside. This would provide children with improved opportunities for healthy activities in a safe environment, and good physical and mental health.
<ul style="list-style-type: none"> • Article 27 (adequate standard of living): Every child has the right to a standard of living adequate for the child's physical, mental, spiritual, moral and social development. 	X		Mitigating climate change is one of the SLM objectives defined in the Bill. Extreme weather events such as flood and storms can destroy housing and create unsafe environments. Future support will enable action to mitigate flood and drought risk, improve air and water quality and reduce GHGs. Delivery of these outcomes will help protect and improve the environment children grow up in.
<ul style="list-style-type: none"> • Article 31 (leisure, play and culture): Every child has the right to relax, play and take part in a wide range of cultural and artistic activities. 	X		A review ¹⁵⁰ of the importance of nature to childhood development concluded that “... <i>contact with nature is supportive of healthy child development in several domains – cognitive, social and emotional. Until proven otherwise, we can continue to assume, just as they need good nutrition and adequate sleep, children</i>

¹⁵⁰ Taylor, A. F., Kuo, F. E., Spencer, C., & Blades, M. (2006). Is contact with nature important for healthy child development? State of the evidence. *Children and their environments: Learning, using and designing spaces*, 124.

			<p><i>many very well need contact with nature”.</i></p> <p>Increased opportunities for providing access to the countryside could facilitate children enjoying increased contact with nature. This would contribute positively to childhood development, based on the above evidence. The Bill will also enable support to protect and enhance our natural landscapes and heritage, providing culture for children now and in the future.</p>
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4. Ministerial advice and decision

How will your analysis of these impacts inform your ministerial advice?

The impacts identified in this assessment will form part of the Regulatory Impact Assessment for the Agriculture Bill which will be considered by Ministers as part of the Bill approval process prior to introduction to the Senedd.

5. Communicating with Children and Young People

If you have sought children and young people’s views on your proposal, how will you inform them of the outcome?

As outlined in Question 1, we have not explicitly sought children’s views on the Bill, although responses to our previous consultations have included those from organisations representing younger/the next generation of farmers. We will be considering how we can seek views on our proposals from children and young people as SFS development continues.

6. Monitoring and Review

Please outline what monitoring and review mechanism you will put in place to review this CRIA. Following this review, are there any revisions required to the policy or its implementation?

This CRIA has considered the potential impacts arising from the enabling powers of the primary legislation. Future policy developed as a result of the Agriculture Bill, including for the proposed Sustainable Farming Scheme, will be subject to further impact assessment. As such, this CRIA will be kept under review as proposals are developed.

A draft of this CRIA was consulted on alongside the White Paper consultation for the Bill. We expect to continue this approach in order that stakeholder views and evidence are incorporated into our assessment of potential impacts.

B. EQUALITY IMPACT ASSESSMENT

1. Describe and explain the impact of the proposal on people with protected characteristics as described in the Equality Act 2010.

How will the proposal promote equality?

The Equalities Act 2010 places a General Equality Duty on Welsh public authorities to have ‘due regard’ to the need to eliminate unlawful discrimination, harassment, and victimisation, as well as to advance equality of opportunity and to foster good relations between people who share a protected characteristic and those who do not.

Sustainable Land Management (SLM) and future support

SLM and the powers of support will apply equally to all farmers, and the proposed future Sustainable Farming Scheme (SFS) will be available to all eligible farmers who wish to participate. The future SFS will be aimed at maintaining economically, socially, and environmentally sustainable farm businesses through the delivery of SLM purposes.

The Bill is not expected to have any negative impacts on people who share protected characteristics, however, we consider the potential impacts on different groups as part of this Impact Assessment. The Bill will have some general benefits for the whole population, including people who share a protected characteristic. These generic benefits relate to:

- The impacts on people’s health from the environmental outcomes the provisions will generate;
- The benefits of improved opportunities to access the countryside and protection of landscape features.

The proposed Sustainable Farming Scheme will be subject to further impact assessment as proposals develop. We will be giving consideration to how any barriers to access for protected groups can be mitigated.

Tenancies

The provisions relating to tenancies will promote equality between landlords and tenants by incentivising discussion and negotiated agreements in order to avoid the costs of dispute resolution, whilst providing a legislative backstop to those who cannot reach a reasonable agreement.

For some, the costs and time required to go through the process could deter individuals and businesses from utilising the provisions. However, we anticipate the provisions will act as an incentive for tenants and landlords to come to a negotiated agreement in order to avoid the costs of dispute resolution, whilst providing a legislative backstop to those who cannot reach a reasonable agreement.

It is possible some people in protected groups could be deterred from utilising the provisions if they appear to be over complex or burdensome. It is not appropriate for Welsh Government to issue

guidance as agricultural tenancy agreements are private contracts between tenants and landlords. Both parties are likely to seek professional advice on their specific circumstances in relation to these provisions. However, industry led guidance has been developed by Tenancy Reform Industry Group (TRIG) and is widely accessible to tenants, landlords and professional advisors through industry representative bodies including the Tenant Farmers Association, the National Farmers Union, the Country Business and Land Association, the Royal Institute of Chartered Surveyors, the Agricultural Law Association and the Central Association of Agricultural Valuers.

Once implemented in secondary legislation, we will monitor the impact of the provisions through continued engagement with industry representatives. This information will inform the need for any amendments to the secondary legislation.

Marketing Standards

With the power to set clear legislation specific to the peculiarities of certain agricultural and food products, Welsh Ministers will be able to ensure that food producers are competing fairly and in a way that minimises adverse environmental impacts, while giving consumers confidence that the products they are buying have been produced to a minimum acceptable standard.

The provisions will not have any direct effects on producers or consumers, as such effects will only arise from subsequent secondary legislation. It is unlikely these effects will have a great effect on equality.

In the continuity of powers for Welsh Ministers over marketing standards of agricultural produce, there should be no particular adverse impact on people in any of the protected characteristic groups as defined by the Equality Act 2010.¹⁵¹ It should be noted, however, that as a provision which will primarily concern agricultural and food producers, any secondary legislation will disproportionately affect, be it in a positive or negative way, people living in rural areas where the bulk of agricultural production takes place.

Because the provisions are not expected to have particular impacts on people with protected characteristics, it will not be necessary to create a framework to measure such impacts arising from it.

Carcass Classification

With the continued power to set the standards for beef, pig meat and sheep meat carcass classification, Welsh Ministers will be able to provide a more efficient and equal level of trade for communities dependent on agriculture. These are principally rural communities, with an average population age that is generally higher than that of the general population.

Despite this, the provisions will not have any direct effects on producers, as such effects will only arise from subsequent secondary legislation. An Equality Impact Assessment will be carried out for

¹⁵¹ <https://www.legislation.gov.uk/ukpga/2010/15/section/4>

any such secondary legislation. It is unlikely, however, that any such secondary legislation will have any noticeable impact on equality.

As a result of the provisions, there should be no particular adverse impact on people in any of the protected characteristic groups as defined by the Equality Act 2010. It should be noted, however, that as a provision which will primarily concern agricultural and food producers, any secondary legislation will disproportionately affect, be it in a positive or negative way, people living in rural areas where the bulk of agricultural production takes place.

Because the provisions are not expected to have particular impacts on people with protected characteristics, it will not be necessary to create a framework to measure such impacts arising from it.

Intervention in Agricultural Markets

With the power to declare exceptional market conditions, intervene to financially support agricultural producers in a crisis and to launch Public Intervention and Private Storage Aid schemes, Welsh Ministers will be able to ensure the longevity and sustainability of communities dependent on agriculture. These are principally rural communities, with an average population age that is generally higher than that of the general population.

Despite this, the provisions will not have any direct effects on producers, as such effects will only arise from subsequent secondary legislation. The provisions should be seen therefore as preparing the ground, giving the potential for equality in Wales to be improved through future policy proposals.

In the creation of this primary legislation, there should be no particular adverse impact on people in any of the protected characteristic groups as defined by the Equality Act 2010. It should be noted, however, that as a provision which will primarily concern agricultural and food producers, any secondary legislation will disproportionately affect, be it in a positive or negative way, people living in rural areas where the bulk of agricultural production takes place.

Because the provisions are not expected to have particular impacts on people with protected characteristics, it will not be necessary to create a framework to measure such impacts arising from it.

Protected groups

The following statistics use Census 2011 data to examine issues facing rural Wales. They demonstrate that certain groups are overrepresented or underrepresented in rural communities. This means that there are more or fewer people possessing particular characteristics than would be expected if such groups were proportionately distributed across urban and rural areas according to population numbers.

In later sections of the Equality Impact Assessment, we examine the potential impacts of the Bill on different protected groups, including positive impacts that would contribute to greater equality in Wales.

- **Children:** Children (aged under 16) tend to be underrepresented in the Rural Local Authorities¹⁵² (LAs) in Wales. Although the majority of children living Rural LAs do live in Rural Areas¹⁵³, the underrepresentation effect is slightly pronounced in these areas, with children overrepresented in Urban Areas.
- **Young people:** Census 2011 data shows young people, aged 16 to 24, are underrepresented in Rural Areas; this was the case in 18 of Wales' 22 LAs. For example, in Pembrokeshire, 73% of residents aged 16 to 24 lived in Rural Areas compared with 78% of residents over the age of 25¹⁵⁴.
- **Older working age people:** Older workers, aged 60 to 64, are overrepresented in the Rural Areas of almost every LA in Wales¹⁵⁵.
- **Older people over 64.** Some of the highest proportions of people aged 64 and over are found in the Rural LAs of Wales. In many of these LAs, older people are overrepresented in the rural population, accounting for more than one fifth of residents.
- **Disability.** Prevalence of disability in Wales was highest in Neath Port Talbot and the Valleys Local Authorities. At the Output Area level, prevalence of disability tends to be marginally higher in Urban Areas than Rural Areas. It is important to note, however, the needs of disabled people in Rural Areas may be very different to those in Urban Areas, with greater challenges in accessing appropriate care and support. Disability is also concentrated amongst older age groups; more than half of those reporting their day-to-day activity was limited a lot are aged 65 and over.
- **Race and ethnicity:** Census data shows in 2011, 4.4% of the Welsh population was made up of individuals belonging to ethnic minority groups¹⁵⁶. There is, however, a substantial concentration of ethnic minority groups in Urban Areas; 88% of those belonging to an ethnic minority group lived in an Urban Area, with the vast majority specifically living in Cardiff, Newport, or Swansea. In 18 of Wales' 22 Local Authorities, the proportion of individuals belonging to ethnic minority groups in Rural Areas was less than half the figure for Wales as a whole (less than 2.2%).
- **Sex and gender:** With regard to economic activity, both men and women in Rural Areas in Wales were more likely to be in employment than those in Urban Areas at the time of the

¹⁵² Classification of Local Authorities is done according to <https://gov.wales/sites/default/files/statistics-and-research/2018-12/080515-statistical-focus-rural-wales-08-en.pdf>

¹⁵³ Here, Urban/Rural Area refers to the designation given to each Output Area, a geographical area containing between 100 people (or 40 households, whichever is smaller) and 625 people (or 250 households, whichever is larger). Output Areas are designed to be small enough that they do not contain a mixture of urban and rural environments.

¹⁵⁴ The discrepancy is particularly pronounced for Gwynedd and Ceredigion, however it is likely that high student numbers relative to the population (attending university in Bangor, Aberystwyth and Lampeter) lead to a disproportionate number of young people in urban areas. The 2011 Census was conducted during term time.

¹⁵⁵ Caerphilly is the only exception. This holds true even when those aged 18 to 24 are removed from the calculation to remove the effect of student populations in predominantly rural counties. Please see previous footnote.

¹⁵⁶ Mixed/multiple ethnic groups, Asian British, Black/African/Caribbean/Black British, and Other ethnic group. White minority groups are not included in this grouping.

Census in 2011; both less likely to be unemployed, or to be economically inactive. The Rural LAs in Wales generally have unemployment rates lower than the Welsh average. For those who were economically inactive in Rural Areas, men were slightly more likely than women to be so due to long-term sickness or disability. Women were almost eight times more likely than men to be looking after the home or family; the discrepancy is more pronounced than in Urban Areas.

These findings demonstrate there are notable differences in the general characteristics of those living in rural Wales, compared with those living in urban areas. It is unlikely that these demographic findings will have changed substantially since the 2011 Census so as to no longer be valid. Indeed, estimates from the Office for National Statistics (ONS) for 2020 indicate that in relation to age, the overrepresentation of older people and underrepresentation of younger people may have become more pronounced in rural Local Authorities ¹⁵⁷.

What are the possible negative impacts on people in protected groups and those living in low income households and how will you mitigate for these?

Children

As outlined in the Children's Rights and Health Impact Assessments, The Bill could impact on children in several ways. The impact of SLM and the powers of support on children is expected to be positive, through the delivery of SLM purposes such as clean air and water providing health benefits, and improved opportunities for access to the countryside facilitating increased contact with nature.

Any economic impact of the Bill may be felt by children in farming families and the wider rural community. The SLM objectives and the powers of support are designed to support the resilience of agricultural businesses and will therefore support resilient rural communities, benefitting children in these areas, and making them more viable locations for families to live.

Young People

It is a noted issue that net outward migration of young people from rural areas can have a substantial negative impact on farm succession planning and rural economies. In order to address these issues and increase the sustainability of farming for the future, there needs to be opportunities for young people to enter agriculture; both those raised in farming families and those wishing to enter the industry from other backgrounds.

Our proposals for the future Sustainable Farming Scheme include the development of advice and guidance for farmers, as well as the provision of appropriate Continued Professional Development. As we design the scheme, we are exploring how best to provide support to all types of farmers, and these sources of advice and guidance should be particularly valuable for those who are new to the industry, for example, young people who have recently finished education.

¹⁵⁷ <https://www.ons.gov.uk/datasets/mid-year-pop-est/editions/mid-2020-april-2021-geography/versions/1>

Young, and new, entrants to the farming industry currently face a number of challenges including access to land and finance, and gaining the knowledge/skills needed to run a successful business. Farming Connect has led a number of initiatives to address these challenges, and we will be considering how best to build on this work alongside or within the proposed future scheme. These include:

- The Venture Scheme¹⁵⁸ which matches new entrants with farmers looking to step back from the industry in order to become business partners;
- The Agri Academy¹⁵⁹ which aims to inspire the next generation of innovators and entrepreneurs by providing a personal development programme for future agricultural leaders. This includes training, mentoring, networking, support, and guidance over three intense residential sessions.

Young Farmer representative groups have engaged in our consultations and co-design programme, and have raised the need to support new entrants into the industry.

Encouraging young, and new, entrants into agriculture is an important part of the future resilience of the industry. We continue to develop the future Sustainable Farming Scheme and will be considering how to build upon the current offer for young people as we develop our proposals for the future scheme and advisory support.

There is some evidence¹⁶⁰ to suggest younger farmers are more likely to embrace new technologies and knowledge. Research into farmer motivations found farmers under the age of 40 were most likely to strongly agree or agree they are always actively looking to learn new skills and they are open to new technology¹⁶¹. Given the proposed SFS will support farmers to adopt new and innovative methods in addition to traditional farming practices, young farmers may be well-placed to implement SLM and benefit from the future scheme. There is likely to be a positive impact on younger farmers, as they may be more inclined to opt into such a scheme.

Older People

Issues for older people living in rural areas tend to focus on the delivery of key health, social services, and transport issues¹⁶². We have no evidence the Bill will impact negatively on the well-being of older people in the wider rural community; the Bill is expected to support a thriving and sustainable rural economy and so any positive impact on the viability of rural communities would benefit older residents. In terms of potential positive impacts, we note in our Health Impact Assessment (in Section 2) the potential of the environmental outcomes, resulting from the

¹⁵⁸ <https://www.businesswales.gov.wales/farmingconnect/business/venture>

¹⁵⁹ <https://businesswales.gov.wales/farmingconnect/business/skills-and-training/agri-academy>

¹⁶⁰ The research considered only 'small' and 'very small' farms; these account for 87% of farms in Wales and cover 60% of Welsh farmland.

¹⁶¹ <https://gov.wales/sites/default/files/publications/2021-08/understanding-farmer-motivations-very-small-small-farms-full-report.pdf>

¹⁶² Older People's Commissioner for Wales (undated) Equality and Rurality Factsheet.

purposes for support, to impact positively on the health outcomes of the population generally. We note the reference to the impact on older people of exposure to poor air quality.

The estimated median age of a farmer in Wales in 2016 was 61 years old, with the majority of principal farmers in Wales over the age of 55 (68%)¹⁶³. SLM and the powers of support will be applicable to all farmers in Wales and therefore changes need to be reasonably communicated to all farmers. Although digital mediums are a useful way to keep publications up to date, the Public Health Wales *Supporting farming communities at times of uncertainty* 2019 report, cites digitalisation as a challenge, particularly for older farmers. It is clear we cannot rely solely on digital means of communication for matters relating to the Bill and the proposed SFS, else there could be a disproportionate negative impact on older farmers. We have experience communicating with farmers through the Farm Liaison Service and the Gwlad newsletter, and will use this knowledge in our communication strategies. Steps were taken to ensure a fair representation of farmers from all age groups participating in the co-design programme.

We are also aware that, given the Covid-19 pandemic, many traditional forms of engagement which may be preferred by older stakeholders in previous consultations, e.g. drop-in surgeries and face-to-face meetings, have not been available. We are mindful of this as we develop our plans for ongoing consultation and engagement.

Conversely to the findings relating to young farmers, research suggests that older farmers are least likely to strongly agree or agree they are always actively looking to learn new skills and they are open to the use of new technology¹⁶⁴. This may be linked to the fact they are closer to retirement and choose to leave decisions around change for their successor. They may also face greater physical challenges than younger farmers in undertaking actions as part of the future SFS. We will need to ensure older farmers are encouraged to participate in the future SFS and that they are supported to adopt SLM in a way that is feasible and compatible with succession planning. The knowledge and support services provided alongside the scheme will be integral to this.

As we design the future SFS we will monitor the effect of the retirement scheme being implemented in England by DEFRA and consider whether intervention is needed in Wales.

Disability

Throughout development of advice and guidance in relation to agricultural policy, officials will work to ensure this is accessible to all farmers and therefore will consider reasonable adjustments for those with disabilities.

As noted above, we expect the outcomes delivered as a result of SLM to impact positively on the health outcomes of the population generally, including people with disabilities. In addition, any improvements to current access routes that increase accessibility may have a positive impact by allowing a greater number of disabled people to enjoy the countryside and its associated benefits.

¹⁶³ Welsh Government (2019). Agriculture in Wales.

¹⁶⁴ <https://gov.wales/sites/default/files/publications/2021-08/understanding-farmer-motivations-very-small-small-farms-full-report.pdf>

The aim will be to increase the proportion of public rights of way that are open, easy to use – including for those with limited mobility – and well signed.

A detailed discussion regarding the mental health of farmers can be found in Section 2 of this document.

Race and ethnicity

There are no expected adverse impacts on race and ethnicity from the Bill. As noted above, SLM and the powers of support are expected to lead to outcomes that will impact positively on the health outcomes of the population generally.

Ethnic minority groups are concentrated in urban areas to a greater extent than groups sharing other protected characteristics, so it is pertinent to consider the extent to which the positive health impacts of SLM will be felt in towns and cities as well as in the countryside. Both air and water pollution can travel substantial distances, so any reduction in emissions from agriculture will have a positive impact for those in both rural and urban areas. Agriculture is the main emitter of ammonia in Wales¹⁶⁵, which contributes to the formation of particulate matter (PM_{2.5}), and in turn this poses risks to human health in communities across Wales.

With regard to water, most Welsh towns and cities are located near rivers, and agricultural pollution entering the catchment upstream will therefore affect urban areas too. For example, investigations have shown that without reduction in agricultural pollution in the Clwyd catchment, improvements in water quality for bathing in Rhyl will not be realised¹⁶⁶. Reductions in water pollution will also have positive benefits for recreation for all users of the countryside, as well as reducing water treatment costs.

There are known disparities in access to the countryside¹⁶⁷ among different ethnic groups, with issues such as lack of awareness cited as drivers of this disparity¹⁶⁸. There is the potential that support for farmers to deliver enhanced access and engagement in their local communities, including in ways aimed at children, will raise awareness among families, including those belonging to ethnic minority groups, and encourage greater countryside use by those children later in life.

With regard to farmers themselves, data from the ONS¹⁶⁹ shows in 2018-19, over 99% of those working in Skilled Agricultural and Related Trades in the UK were White. This is compared with the

¹⁶⁵ <https://cdn.cyfoethnaturiol.cymru/media/693285/sonarr2020-theme-air-quality.pdf>

¹⁶⁶ <https://environment.data.gov.uk/wales/bathing-waters/profiles/profile.html?site=ukl1302-40650>

¹⁶⁷ Jay, M., Peters, K., Buijs, A. E., Gentin, S., Kloek, M. E., & O'Brien, L. (2012). Towards access for all? Policy and research on access of ethnic minority groups to natural areas in four European countries. *Forest Policy and Economics*, 19, 4-11.

¹⁶⁸ http://www.ben-network.co.uk/uploaded_Files/Ben_1/Ben_file_1_26.pdf

¹⁶⁹

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/adhocs/10663occupationatuklevelbysectorindustryageandethnicity>

general working population at the time where 88% were White. Elementary Agricultural Occupations is contained within a larger grouping of Elementary Trades and Related Occupations, so while we cannot make a direct comparison, there may be more diversity within Elementary Agricultural Occupations. We do not have data for Wales specifically and note that arable farms which require larger numbers of seasonal workers for activities like harvesting are less common in Wales than England. In addition, the high level of casual and unpaid work within agriculture can make it too challenging to establish the true number of workers.

It is typically difficult for new entrants to farming to begin a farming career, due to high levels of farm inheritance. In addition to the known concentration of ethnic minorities in Urban Areas, this may contribute to the substantial underrepresentation of ethnic minorities in farming.

Ethnicity	51: Skilled Agricultural and Related Trades	91: Elementary Trades and Related Occupations	Population aged 16 to 64
White	99.2%	89.1%	87.5%
Mixed/Multiple ethnic groups	*	0.7%	12.4%
Indian	-	2.7%	1.2%
Pakistani	*	1.4%	2.8%
Bangladeshi	-	0.3%	1.5%
Chinese	0.2%	0.11%	0.6%
Any other Asian background	*	0.8%	0.5%
Black/African/Caribbean/Black British	0.4%	2.5%	3.0%
Other ethnic group	0.2%	2.4%	2.8%

51: Skilled Agricultural and Related Trades includes Farmers (5111), Horticultural trades (5112), Gardeners and landscape gardeners (5113), Groundsmen and greenkeepers (5114), and Agricultural and fishing trades n.e.c. (5119)

91: Elementary Trades and Related Occupations includes Elementary Agricultural Occupations (911), Elementary Construction Occupations (912) and Elementary Process Plant Occupations (913). In turn, 911: Elementary Agricultural

Occupations includes Farm workers (9111), Forestry workers (9112) and Fishing and other elementary agriculture occupations n.e.c. (9119)

* = Sample sizes are under 3 persons and too small to provide reliable estimates

- = No figures to report

SLM and the powers of support with regard to farming are therefore likely to have less of an impact on Ethnic Minority groups than those in the White ethnic groups, as they are substantially underrepresented in the agriculture industry.

Marriage and civil partnership

We do not expect the Bill to negatively affect people because they are married or because they are in a civil partnership.

Pregnancy and maternity

Achieving and promoting high standards of animal health and welfare is one of the purposes for future support set out in the Bill; providing support for this purpose should reduce the risks caused by disease within the livestock population, which could enter the food chain. Certain zoonotic diseases (transferrable to humans) and infectious agents are a serious risk to pregnant women and their unborn babies in particular, so we expect any action to minimise disease to have a positive impact on them. In addition, general health impacts such as better air quality will also be of particular importance to pregnant women.

Gender reassignment

We do not expect the Bill to negatively affect people undergoing gender reassignment. We will continue to monitor this as proposals for the future SFS develop.

Religion and belief

We do not expect the Bill to negatively affect people because of their religion or faith. We will continue to monitor this as proposals for the future SFS develop.

Sexual orientation

We do not expect the Bill to negatively affect people because of their sexual orientation. We will continue to monitor this as proposals for the future SFS develop.

Sex/gender

Farm managers and sole holders are predominantly male¹⁷⁰, however, estimates from the Annual Population Survey¹⁷¹ show the number of women farmers in Wales has more than doubled since 2001. Women face a number of barriers within farming, and in 2015, Farming Connect launched a

¹⁷⁰ EU Farm Structure Survey (2016).

¹⁷¹<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/adhocs/009745workersbysexindetailedoccupationgroupings2000to2018>

Woman in Agriculture initiative to support women in the industry. The Bill will provide powers for the Welsh Government to create a Sustainable Farming Scheme (SFS) and as our proposals for the scheme continue to develop, we will be considering how we can build on the work of initiatives such as Women in Agriculture.

Furthermore, even where the primary farmer is male, women in farming families are often active in running the farm business, though they may not be recognised as formal employees. Research on the contribution of farmers' wives¹⁷² concludes "*The contribution which farmers' wives make to the farm business is typically overlooked and under-valued, yet the farm could not function without it.*" Such contributions typically include critical aspects of the business such as book-keeping, administration, and decision-making. It is evident, therefore, that the Bill will have impacts beyond the principal farmer, and that our engagement should reflect that.

Low Income Households

Farm business income is subject to volatility influenced by agricultural conditions (including weather) and market conditions. This volatility can bring challenges to long-term business planning. The Bill will provide the powers for future support, and the proposed SFS will provide an income stream based on the delivery of the SLM purposes for support; these are unaffected by this volatility. For participating farms, this should have a positive effect on those from low-income households by providing increased stability of income.

Our Economic Wellbeing and Rural Proofing Impact Assessments consider potential economic effects of the Bill in further detail.

Households in deprived areas

The Welsh Index of Multiple Deprivation (WIMD)¹⁷³ includes the quality of an area's physical environment as one of the indicators of deprivation. This physical environment component consists of air quality, flood risk and access to green space.

The Bill sets SLM as the future framework for farming in Wales, and aims to achieve reduced emissions, reduced flood risk through nature-based solutions (e.g. agroforestry, improved soil health) and increased access to the countryside. The Bill should therefore positively influence the physical environment and improve the physical environment indicator in the WIMD measure. The effect of the Bill on the environment is considered further in the Biodiversity Impact Assessment, and Section 5 of this document, which relates to Environmental Wellbeing.

What if any, barriers do people who share protected characteristics face? Can these barriers be reduced, removed, mitigated?

We do not expect the Bill to create barriers for those who share protected characteristics. As we continue to develop our proposals for the future SFS, we will consider how we can ensure there are no barriers to participation for those within protected groups. In addition, we will consider

¹⁷² <https://onlinelibrary.wiley.com/doi/abs/10.1111/j.1477-9552.1992.tb00200.x>

¹⁷³ <https://gov.wales/welsh-index-multiple-deprivation-full-index-update-ranks-2019>

whether there is a need for targeted initiatives to support groups who are underrepresented in agriculture, such as women and those belonging to ethnic minority groups. We will take steps to ensure all advice and guidance related to the Bill and the SFS will be communicated in accessible ways.

Monitoring of the proposals

As well as providing the powers for a future Sustainable Farming Scheme, the Bill will provide the relevant monitoring and evaluation powers, both for future support and for SLM as a whole. There will be requirements for ministers to report on certain metrics; further detail of the monitoring and evaluation strategy will be set out once scheme proposals are finalised.

This monitoring and evaluation strategy will set out how the future Sustainable Farming Scheme will be judged in terms of value for money and the outcomes it has delivered for Wales. The strategy will recognise the long-term nature of the outcomes sought and report identify interim measures which can demonstrate progress.

Summary Table - Record of Impacts by protected characteristic: Protected characteristic or group	What are the positive or negative impacts of the proposal?	Reasons for your decision (including evidence)	How will you mitigate Impacts?
Age (think about different age groups)	Older people may particularly benefit from the delivery of the SLM purposes for support, such as cleaner air.	Older people are particularly vulnerable to air pollution, the provisions in the Bill will improve air quality.	This is a positive impact, no mitigation needed.

	There may be a negative impact on some older farmers if communication about the Bill, and its implementation, is only conducted through digital means.	The Public Health Wales <i>Supporting farming communities at times of uncertainty</i> 2019 report, cites digitalisation as a challenge particularly for older farmers.	Publication of advice and guidance will need to be available in a variety of formats and we will consider how to reach stakeholders by a range of means.
	The movement from an area-based support scheme to one based on the delivery of SLM purposes has the potential to impact on new entrants, who may also be younger people.	Young, and new, entrants to the farming industry currently face a number of challenges including access to land and finance, and gaining the knowledge/skills needed to run a successful business.	We will be considering how to build on the current advisory offer for younger people and new entrants to the industry.
	The marketing standards provision shall have a greater impact on those of working age, due to the subsequent possibility of amendments to marketing standards regulations and the impact this will have on businesses. Consumers from across the age spectrum will feel the impact of any subordinate legislation	This provision seeks to replicate the powers Welsh Ministers will have through the UK Agriculture Bill, so shall provide continuity. ¹⁷⁴ The decision is therefore one maintaining the status quo rather than changing the system to benefit one group or another.	No mitigation shall be necessary.

¹⁷⁴ <https://publications.parliament.uk/pa/bills/lbill/58-01/112/5801112.pdf>, p.68

	created from these powers, as food and drink are essential items for all.		
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Disability (think about different types of disability)	The environmental outcomes will positively impact the health outcomes of the population generally, including people with disabilities. Improvements to access routes may have a positive impact for those with accessibility needs.		This is a positive impact, no mitigation needed.
	It is possible those with visual impairments or learning difficulties could be deterred from utilising the tenancy provisions if they appear to be inaccessible, overly complex, or burdensome.		<p>Industry led guidance has been developed by TRIG and is widely accessible to tenants, landlords and professional advisors through industry representative bodies including the Tenant Farmers Association, the National Farmers Union, the Country Business and Land Association, the Royal Institute of Chartered Surveyors, the Agricultural Law Association and the Central Association of Agricultural Valuers.</p> <p>We will monitor the impact of the provisions through continued engagement with industry representatives. This information will</p>

			inform the need for any amendments to the secondary legislation.
Gender Reassignment (the act of transitioning and Transgender people)	No specific positive or negative impacts have been identified.		At this stage, no mitigation shall be necessary, but we will continue to monitor this as proposals for the future SFS develop.
Pregnancy and maternity	Reduced livestock disease will lower the risk to pregnant women and their unborn babies from zoonotic diseases (transferrable to humans). The environmental outcomes will positively impact the health outcomes of the population generally, including pregnant women.		This is a positive impact, no mitigation needed.
Race (include different ethnic minorities, Gypsies and Travellers and Migrants, Asylum seekers and Refugees)	Farmers primarily belong to the White ethnic group so the Bill will have a lower impact on ethnic minorities. There are no aspects of the Bill that would negatively impact Gypsies and Travellers (such as changes to land rights or access to education). Supporting a thriving rural economy will continue to provide		At this stage, no mitigation shall be necessary, but we will continue to monitor this as proposals for the future SFS develop.

	opportunities for migrant workers.		
Religion, belief and non-belief	No specific positive or negative impacts have been identified.		At this stage, no mitigation shall be necessary, but we will continue to monitor this as proposals for the future SFS develop.
Sex / Gender	Farm managers and sole holders are predominantly male, which could have a negative impact on gender equality in access to financial support.		We will be considering how we can build on initiatives such as Farming Connect's Women in Agriculture programme as our policy proposals develop.
Sexual orientation	No specific positive or negative impacts have been identified.		At this stage, no mitigation shall be necessary, but we will continue to monitor this as proposals for the future SFS develop.
Marriage and civil partnership	No specific positive or negative impacts have been identified.		At this stage, no mitigation shall be necessary, but we will continue to monitor this as proposals for the future SFS develop.
Children and young people up to the age of 18	Children and young people are expected to positively benefit from the delivery of SLM purposes for support.	Children are particularly vulnerable to air pollution.	This is a positive impact, no mitigation needed.
	The movement from an area-based support scheme to one based on the delivery of SLM purposes has the potential to have economic impacts, this may impact on children, particularly in rural areas.		The Welsh Government has committed to undertaking an economic analysis of the proposed Sustainable Farming Scheme, which will consider the impacts of final proposals. Following consultation in 2023, the scheme proposals will be reviewed, and the economic analysis updated.

Marriage and civil partnership	No specific positive or negative impacts have been identified.		At this stage, no mitigation shall be necessary, but we will continue to monitor this as proposals for the future SFS develop.
Low-income households	The movement from an area-based support scheme to one based on the delivery of SLM purposes has the potential to have economic impacts, this may impact on low-income farm households.		The Welsh Government has committed to undertaking an economic analysis of the proposed Sustainable Farming Scheme, which will consider the impacts of final proposals. Following consultation in 2023, the scheme proposals will be reviewed, and the economic analysis updated.
	Some individuals and businesses may be deterred from utilising the tenancy provisions, due to the costs and time required to go through the process.		We anticipate the provisions will act as an incentive for tenants and landlords to come to a negotiated agreement in order to avoid the costs of dispute resolution, whilst providing a legislative backstop to those who cannot reach a reasonable agreement. We will monitor the impact of the provisions through continued engagement with industry representatives. This information will inform the need for any amendments to the secondary legislation.

Human Rights and UN Conventions

Do you think that this policy will have a positive or negative impact on people's human rights?

Human Rights	What are the positive or negative impacts of the proposal?	Reasons for your decision (including evidence)	How will you mitigate negative impacts?
Article 8: The right to respect for private and family life and correspondence	<p>The Bill will clarify legislation on data sharing and processing, and ensure historic data can continue to be processed after the relevant powers expire in the UK Agriculture Act.</p> <p>The Bill provides the Welsh Government with the powers to collect data, but specific plans will need to be published and consulted on.</p>	Any provisions involving the processing of personal information carry a risk of impinging on the right to privacy.	<p>We will clarify, in legislation, the purposes of data collection and processing. This will help mitigate the risk of non-proportionate data processing/sharing.</p> <p>Please refer to the Data Protection Impact Assessment for further details.</p>
Protocol 1, Article 1: Protection of property	The tenancy provisions may affect existing arrangements set out in private contracts. Changes in tenants land use or business practices may have an impact on the landlord's property, potential future value, and how it might be treated for tax purposes.		<p>Both landlords, tenants and their representatives have been given equal opportunity to comment on the provisions and how it might affect them.</p> <p>The provision will only apply where restrictive clauses are an unreasonable barrier to scheme participation. Secondary legislation</p>

			will ensure a fair and balanced approach is taken between landlord and tenant interests.
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EU/EEA (European Union/European Economic Area) and Swiss Citizens' Rights

We do not expect the Bill to have a negative impact on the rights of EU/EEA and Swiss Citizens. With regards to EU/EEA or Swiss Citizens who reside and farm in Wales, the Bill will apply equally to all farmers and the proposed SFS will be available to all farmers in Wales who meet the eligibility criteria, regardless of nationality.

The Bill aims to support a sustainable and resilient agricultural sector in Wales. For EU/EEA and Swiss Citizens who rely on seasonal agricultural work, the Bill and proposed SFS should mean the requirement for seasonal work is maintained as farms are resilient for the future. However, the nature of Welsh farmland means the types of farms relying on seasonal work are more prevalent in England.

C. RURAL PROOFING IMPACT ASSESSMENT

1. Describe and explain the impact of the proposal on rural people, businesses and communities.

How will the proposal affect the lives of rural people, positively and negatively? For example as service users, workers and consumers.

Rural communities and agriculture

Estimates for 2021¹⁷⁵ show the total number of people working on agricultural holdings in Wales is 50,401. Of this total, there are 37,953 principal farmers, directors, business partners and their spouses. The total also includes 12,448 regular full time, regular part time and seasonal/casual farm workers. The figure does not include self-employed people or contractors who may also work on the farm.

The contribution of agriculture to rural communities is not purely economic. As outlined by Dwyer (2018),¹⁷⁶ *“whilst hardly visible in basic statistics, agriculture remains a major driver of economic and community viability in the many remote areas of Wales”*. This was also reflected in the responses to our consultation, *Sustainable Farming and Our Land*.

Farms in Wales make a significant contribution to the social capital embedded in rural communities. As NFU Cymru¹⁷⁷ emphasise, *“...many farmers or individuals involved with the agricultural industry undertake leadership and voluntary roles in rural communities which contribute to community cohesion. There will often be members of the agricultural industry sitting on Community Councils, PTAs or on the board of school governors. They also often assist with the smooth running of the community”*.

The introduction of the Sustainable Land Management framework and the future Sustainable Farming Scheme (SFS) represent a significant change in how farmers will receive financial support. Given the multi-faceted contribution of agriculture in many rural areas, these changes may also impact on rural communities.

We outline the expected rural community impacts of the Bill below. The future Sustainable Farming Scheme will be subject to an impact assessment when scheme design is finalised.

Sustainable Land Management (SLM) and future support

The Bill sets Sustainable Land Management as the future policy framework for agriculture in Wales. The SLM objectives set out the need for food to be produced in a sustainable manner,

¹⁷⁵ June Survey of Agriculture and Horticulture (2021).

¹⁷⁶ Dwyer, J. (2018). The implications of Brexit for agriculture, rural areas and land use in Wales.

¹⁷⁷ NFU Cymru (2017). Farming – Bringing Wales Together.

which requires the resilience of agricultural businesses. The proposed future scheme will be designed to support farmers in line with the purposes set out in the Bill and is expected to positively impact on rural communities through increasing resilience. Specifically, the purposes include improving the resilience of agricultural businesses, and helping rural communities to thrive and strengthening the links between agricultural businesses and their communities. However, it is expected that the other purposes for support will also contribute towards improved resilience.

Rewarding farmers for delivering the outcomes the Welsh Government is seeking, through the purposes for support, will increase the ecological resilience of the land they manage, the economic resilience of their businesses, and the social resilience of rural communities through continued presence of agriculture. Improving the efficiency of the farm business model within the natural capacity of the land will enable current and future generations to continue farming, offering long-term resilience to the communities they are embedded in.

The proposed SFS will also offer a revenue stream, separately to income generated from the farm, which will be unaffected by volatility in trading conditions. This income stream should also support resilient rural communities.

Improving farm viability and the resilience of rural communities can have a positive impact in providing opportunities for young people. This could contribute towards addressing issues such as high levels of outward migration from rural Wales by young people, and help existing farmers in succession planning.

There are also expected to be positive well-being benefits to rural communities through maintenance and enhancement of habitats and landscapes, alongside improvements in air and water quality. Our Health Impact Assessment in Section 2 details the positive impacts on physical and mental well-being from the proposed future scheme, and our Biodiversity Impact Assessment and Environmental Wellbeing section (Section 5) outline the expected environmental benefits.

The Bill establishes the SLM framework and provides powers for ministers to establish schemes in support of contributing to the achievement of SLM, such as the proposed Sustainable Farming Scheme; the final details of the scheme itself and the associated impact assessment will be published at a later date.

With regard to tree planting on farmland, the future Sustainable Farming Scheme is being designed to support farmers to increase tree cover on agricultural land in appropriate locations – both for the environment and the farm business – alongside other actions which will deliver the Welsh Government's desired outcomes. As the Bill relates explicitly to agriculture, it is agricultural land specifically that will be subject to Sustainable Land Management in order to achieve the strategic objectives of the Bill. The proposed SFS will support farmers in the delivery of SLM, and will specify actions that will be supported in line with the definitions of agriculture and agricultural activities as set out in the Bill.

The Bill is designed to keep Welsh farms active and resilient, providing a stable income stream, which will enable farmers to remain on their land and allow them to pass on resilient farm businesses to future generations.

The Bill and future SFS are designed to take action in tackling the climate emergency and nature emergency in a way that is beneficial for farms and rural communities. This is in line with the Welsh

Government's existing commitments, as laid out in the Well-being of Future Generations (Wales) Act 2015¹⁷⁸, and our Carbon Budget, which states that the transition to Net Zero should be "fair and prosperous"¹⁷⁹. The Welsh Government's approach, through adopting Sustainable Land Management in the Bill, is to promote land sharing practices which support and enable the sustainable production of food alongside delivery of the other outcomes we are seeking.

Forestry

The provisions relating to forestry and woodland in the Bill are not expected to have negative impacts on rural communities in Wales, and are likely to have a positive effect on biodiversity and therefore the physical and mental health of people living there. There will be instances of increased applications costs and compliance costs to landowners arising from additional felling licence conditions or suspending or revoking felling licences. However, we expect these powers to be used by Natural Resources Wales only where necessary and be proportionate in line with Public Law principles, the regulators' code and NRW's own Regulatory Principles.

The benefits to the forestry sector of demonstrating compliance with baseline and more bespoke environmental conditions where necessary raises awareness of the sector's commitment to the environment, and reduces the risk of being compared unfavourably with husbandry standards in other countries. It will also help to reduce the impact of tree felling on the environment.

Small- and medium-sized enterprises (SMEs) and micro-businesses managing woodland will have access to various capital funding schemes to buy specialist equipment, such as the Rural Development Programme funded Timber Business Investment Scheme, and more recently through the domestically funded Forestry Industry Recovery Scheme.

The ban on snares and glue traps

It is not anticipated that the ban on glue traps will have any more impact on those in rural communities than elsewhere. However, some farmers and gamekeepers regularly deploy snares as a means of controlling foxes to protect lambs and gamebirds. Whilst the ban on snares will affect these activities, there are sufficient alternative – and more humane – methods available, such as shooting with the assistance of lamping or thermal imaging. Current users of snares will experience some disruption while they acquire or become familiar with these alternative methods of control, however the announcement to ban snares has already been made, providing ample opportunity for farmers and gamekeepers to make the switch to humane methods.

Marketing Standards

The provisions could lead to marketing standards legislation being made for any agricultural products. Changes to legislation will mean changes to the way food and agriculture businesses are run, but it is difficult to gauge the impact at this stage, because of the breadth of possibility of change. It is important to emphasise that there are no Welsh Government plans to change

¹⁷⁸ <https://www.futuregenerations.wales/wp-content/uploads/2017/02/150623-guide-to-the-fg-act-en.pdf>

¹⁷⁹ <https://gov.wales/sites/default/files/publications/2021-10/net-zero-wales-carbon-budget-2-2021-25.pdf>

marketing standards at this stage, but this position could change due to developments in technology, market organisation or social changes.

Such changes may be harder for small- and medium-sized businesses in rural areas to adapt to, should changes in marketing standards regulations require new labels to be printed, for example. Welsh farms often employ a very low number of staff, who may have more difficulty accessing services due to their remote location.

The effects may not be negative for such businesses, however. If changes were made to improve the efficiency of supply chains, or boost the consumer confidence in an agricultural product, these could have a financial benefit to such businesses.

Rural stakeholder groups responded to the consultation on the proposals and were broadly supportive of powers for Welsh Ministers over marketing standards, while underlining the need for cross-border consistency.

Ultimately, the impact on rural communities of these provisions is very difficult to estimate without concrete proposals for secondary legislation. Once such legislation is proposed under these powers, a more in-depth analysis can take place.

Carcass Classification

The provisions will likely have a positive effect on the lives of rural people. Legislation created under these powers would be to either increase business efficiency or consumer confidence in pork, beef and lamb produced in Wales. The businesses who would benefit from increased efficiency are likely to be farms, abattoirs and butchers. Many farms are small enterprises which support rural communities, so this impact is likely to be positive.

There is the possibility that the two objectives mentioned above may not align, and that legislation created to improve consumer confidence could detrimentally affect business efficiency, or vice versa. In such cases, it is possible for such legislation to have a negative impact on the small and medium rural enterprises involved in the meat supply chain.

Rural stakeholders were consulted as part of the consultation on the Agriculture (Wales) Bill. The comments received on this proposal were supportive overall but stressed the importance of consistent standards across Great Britain.¹⁸⁰

Intervention in Agricultural Markets

The provisions mean Welsh Ministers will have the power to intervene in the market during periods of severe economic turbulence. In effect, such powers will only be used to prevent widespread failure of agricultural businesses. Such intervention would have a short-term positive benefit on such businesses, which are overwhelmingly rural and tend to be small.

The difficulty with assessing the potential impact of these provisions is in its nature as an emergency power. It is difficult to foresee when the powers would be used and for which subsector

¹⁸⁰ <https://gov.wales/sites/default/files/consultations/2021-09/agriculture-wales-bill-summary-of-responses.pdf>, p.82

of agriculture. Not having these powers would mean a higher risk of severe disruption to rural communities in the event of a market crisis, however, so it is important for Welsh Ministers to have the tools to address such scenarios.

Being able to lessen the blow of extreme market events would have a positive impact on rural communities. If several farm businesses failed simultaneously, it is likely this would have a negative effect on rural community cohesion, the Welsh language and the rural culture of Wales. These indirect effects would be in addition to the evident economic effects of such widespread business failure.

Rural stakeholder groups were supportive of the inclusion of this proposal in the consultation on the Agriculture (Wales) Bill White Paper.¹⁸¹

Will access be an issue for rural people? If yes, what will be done to overcome barriers to access?

We do not consider access will be an issue for rural people within the Bill. With regards to the proposed SFS, farms are predominantly in rural areas and will be the principal target.

How has the proposal taken account of the needs of rural people e.g. older population, lack of affordable housing, language requirements?

The provisions of the Bill will apply to all farmers in Wales regardless of age and participation in any future scheme. With regard to people in rural communities more generally, including discussion on the Welsh language, further details can be found in our Equality Impact Assessment, Welsh Language Impact Assessment, and Socio-economic Duty Impact Assessment.

In developing our proposals for the SFS, we will continue to involve and consult with the farming community. Further policy development on advice and guidance for the proposed SFS will also consider how this can be best provided to the farming community, taking into account different needs and ensuring this information is accessible in a range of formats.

Will the proposal lead to new services being opened or existing services being closed? How will you maximise positive impacts and mitigate negative impacts?

It is not expected the Bill will directly impact the provision of services to rural areas. Nonetheless the Bill is expected to support a thriving, sustainable rural economy, which should make living in rural areas a more attractive and viable option for individuals of all ages and professions, including those whose work provides vital services to local people.

Does the policy require the purchase or use of land? Have you considered rural factors such as land value, availability or restrictive designations?

The Welsh Government will not require the purchase or use of land to implement the policy.

¹⁸¹ <https://gov.wales/sites/default/files/consultations/2021-09/agriculture-wales-bill-summary-of-responses.pdf> , pp.81-2

Will the proposal work in difficult terrain e.g. narrow roads and steep mountains? If no, how will you overcome barriers?

We do not anticipate any barriers due to difficult terrain. Welsh Government has previous experience delivering support schemes and advisory services to farmers, who are often located on difficult terrain, and this will be used to inform delivery.

Is the proposal relevant to SMEs or micro-enterprises? If yes, how have you taken their situation into account? Does the proposal expect businesses to be able to access support? (This may be in the form of advice, training, finance etc.) If yes, what barriers will rural businesses face and how will they be overcome?

SLM and future support

The majority of farms in Wales are small businesses and contribute to the resilience of rural communities. Data from 2019 shows 87% of Welsh farms are classed as ‘Small’ or ‘Very Small’ based on their turnover. With an average of 2.14 workers per farm in 2020¹⁸², it is highly likely the vast majority of Welsh farms would be classed as ‘micro-entities’ (having fewer than 10 employees in addition to meeting criteria relating to turnover). In 2017, almost two thirds of farms had the equivalent of one or less full-time employees¹⁸³.

Evidence¹⁸⁴ on the importance of small businesses to the resilience of communities in Scotland concluded rural businesses contribute to building the resilience of rural Scotland in direct and indirect ways. The evidence found there is a “*clear link between the activities of rural businesses and the resilience of rural communities*”, related to employment creation and service/product delivery. It also found growing and diversifying the private business sector can:

- Help to maintain the working-age population in a local area, contributing to the ‘demographic balance’ and thus support local (public, private and third sector) service provision;
- Utilise and develop existing resources, increasing the quality of life and well-being of rural residents, increasing the attractiveness of a place as a tourism destination, and improving community cohesion.

A review¹⁸⁵ from the West Midlands notes the importance of small businesses contributing to the economic resilience of local communities; “...*local economies with higher levels of small businesses and local ownership perform better in terms of economic success, job creation (especially in disadvantaged and peripheral areas), local multiplier effect, social inclusion, income*

¹⁸² <https://gov.wales/sites/default/files/statistics-and-research/2021-08/farming-facts-and-figures-2021-695.pdf>

¹⁸³ <https://stats.wales.gov.wales/Catalogue/Agriculture/Agricultural-Survey/Intra-Survey-Comparisons/annual-fte-labour-proxy-on-a-farm>

¹⁸⁴ Steiner, A. & Atterton, J. (2014). The contribution of rural businesses to community resilience. *Local Economy*, 29:3. pp. 228-244.

¹⁸⁵ Leach, K. (2013). Community economic development: Localisation, the key to a resilient and inclusive local economy? *Local Economy*, 28(7-8), 927-931.

redistribution, health, well-being and civic engagement, than economies more dependent on centralised economic actors. Such economies also support local distinctiveness and diversity, which can be seen as being advantageous because these factors contribute to economic resilience”.

Research¹⁸⁶ into the impacts of transitioning away from BPS in the South West of England examines the wider implications of farm business ceasing to trade, stating, “...*there is a wider impact, like the ripples in the water when a stone hits, across the rural economy*”. It acknowledges the interconnectivity between agriculture and industries such as tourism and food and drink, and highlights that while “*the revenue coming into farming is at least partly spent in the rural economy*”, it is extremely challenging to model the exact impact the changes to farming support might have.

Evidence from the responses to our consultation, *Sustainable Farming and our Land*, demonstrates Welsh farms also play this key economic role within their local economies and communities. Our published summary of responses notes respondents “...*often made impassioned statements concerning the important role that agriculture plays in ensuring the vibrancy of rural communities. From these perspectives, the health of the agricultural sector is closely linked to the broader economic fortunes of the rural communities in which they live. Moreover, respondents saw agriculture to be closely intertwined in the social, linguistic and cultural fabric of rural life.*”

SLM and the powers of support will have impacts for all farm businesses in Wales, including farm SMEs and micro-entities.

The proposed SFS is being designed to support all types of eligible farms across Wales to deliver Sustainable Land Management, providing advice and support in order for them to do so. Given the role smaller businesses often play in supporting rural resilience, it is expected that providing support for farms to deliver SLM will have positive effects for the communities they are embedded in. The SLM objectives reflect the fact that the resilience of agricultural businesses within the communities and local economies in which they operate is an important factor in ensuring food is produced in a sustainable manner.

As we design the future Sustainable Farming Scheme, we are exploring ways in which we can provide support for the wider industry and the supply chain outside the farm gate, for activity that meets the definition of ancillary activities and the strategic objectives of the Bill. This would have a positive impact for rural businesses and the wider rural community.

Forestry

Forestry businesses have access to various capital funding schemes to buy specialist equipment for woodland management, such as the Rural Development Programme (RDP) funded Timber Business Investment Scheme, and more recently through the domestically funded Forestry Industry Recovery Scheme.

¹⁸⁶ <https://heartofswlep.co.uk/wp-content/uploads/2022/05/GSW-agricultural-transition-report.pdf>

Does the proposal depend on infrastructure such as good road/rail connections or fast broadband or good mobile connectivity? If yes, what provision will be made for communities/businesses in more isolated rural areas?

As the Bill is concerned with agriculture and the proposed future scheme will be an agricultural support scheme, there is no specific provision relating to infrastructure or for enhancing rural broadband.

However, Rural Payment Wales has experience in reaching customers in more isolated rural areas, and we will incorporate this experience into future scheme design and delivery to help overcome any barriers resulting from poor connectivity.

Although the root causes of poverty in rural areas are the same as in urban areas, the experience of deprivation may be different in rural areas. Some of the main issues contributing to poverty in rural areas are fuel poverty (including both heating and transport fuel), in-work poverty, access to services and digital exclusion. How does your proposal help to tackle poverty in rural areas?

The Bill is designed to support thriving and resilient rural communities through enabling Ministers to provide support to farmers for the delivery of SLM. This includes purposes for support directly concerning helping agricultural businesses and rural communities to thrive. The proposed SFS intends to provide farmers with a meaningful, stable income stream. Data from 2017/18 shows that without payments from the Basic Payment Scheme (BPS), only 41% of farms in Wales made a profit¹⁸⁷. Further assessment of the impacts of the Bill with regard to causes of deprivation can be found in the Socio-Economic Duty Impact Assessment.

Digital exclusion is an issue affecting some farmers in Wales, due to lack of access to broadband services and the fact that older people are less likely to use the internet more generally due to lack of digital skills and/or motivation. This could mean that digitally excluded farmers are unable to access the proposed SFS, simply through not being aware of it, if the primary means of promotion are digital. We therefore plan to conduct a varied communications programme prior to the introduction of the scheme to reach as many farmers as possible, allowing them to make an informed choice about whether to enter into the scheme.

What contact have you had with rural stakeholders? Please briefly describe any events targeted at rural stakeholders or any consultation engagement you have had with rural stakeholders. Did any other issues come up as a result of the engagement with stakeholders or any consultation around this proposal? If yes, what were they and how have you modified your proposal to take them into account?

We have published three consultations on our proposals for the future scheme and regulation. The first of the two consultations was published in July 2018 and was titled *Brexit and our Land*¹⁸⁸. We

¹⁸⁷ <https://gov.wales/sites/default/files/publications/2021-03/agriculture-in-wales-evidence.pdf>

¹⁸⁸ Welsh Government (2018). *Brexit and our Land* consultation.

published a full, independent summary of the responses to the consultation (12,203 responses, of which 1,036 were substantive and a further 11,160 were submitted from seven distinct campaigns)¹⁸⁹, and our response to the consultation responses was also published¹⁹⁰.

In the light of the consultation exercise, we made a number of changes to our policy proposals which were set out in our second consultation, *Sustainable Farming and our Land*¹⁹¹ and this was published in summer 2019. An independent summary of the responses to that consultation was also published (3,322 responses, of which 508 were substantive and 2,816 were submitted from three distinct campaigns)¹⁹².

Our third consultation asked for views on the proposals for the Agriculture (Wales) Bill¹⁹³ and our draft assessment of potential impacts. In light of the responses to the consultation (1,119 responses, of which 232 were substantive and 887 were submitted from a campaign)¹⁹⁴, a number of changes were made to the content of the Bill¹⁹⁵.

Alongside these consultations we have engaged directly with farmers and other rural stakeholders at regional agricultural shows and a range of dedicated events to further explain and discuss our proposals. We continue to engage regularly with a range of stakeholders and are currently planning further in-person engagement.

We have conducted a programme of co-design, which allows stakeholders to work collaboratively with the Welsh Government in shaping policy and the proposed future Sustainable Farming Scheme. The engagement events for the first phase of co-design took place between March and October 2020, and insights from this programme are now publicly available¹⁹⁶. In total, over 1,900 stakeholders engaged with the co-design programme, the vast majority of whom were farmers.

Our second phase of co-design, where farmers and other stakeholders were invited to provide feedback on the Outline Proposals for the Sustainable Farming Scheme, was undertaken in 2022..

Forestry

¹⁸⁹ Welsh Government (2018). Brexit and our Land: Summary of Responses. <https://gov.wales/support-welsh-farming-after-brexid>

¹⁹⁰ Welsh Government (2018). Brexit and our Land: Our Response <https://gov.wales/brexit-and-our-land-our-response>

¹⁹¹ Welsh Government (2019). Sustainable Farming and our Land consultation.

¹⁹² Welsh Government (2019). Sustainable Farming and our Land: Summary of Responses. https://gov.wales/sites/default/files/consultations/2020-05/sustainable-farms-summary-of-responses_0.pdf

¹⁹³ <https://gov.wales/sites/default/files/consultations/2020-12/agriculture-wales-bill-white-paper.pdf>

¹⁹⁴ <https://gov.wales/sites/default/files/consultations/2021-09/agriculture-wales-bill-summary-of-responses.pdf>

¹⁹⁵ <https://gov.wales/sites/default/files/consultations/2021-09/agriculture-wales-bill-our-response-forward-plan.pdf>

¹⁹⁶ https://gov.wales/sites/default/files/publications/2021-09/sustainable-farming-scheme-co-design-future-farming_0.pdf

We have engaged with a group of key stakeholders consisting of forestry, land management and conservation representatives established for the purpose of providing input into the development and impact of the provision to amend the Forestry Act 1967. Concerns raised relate mainly to the implementation of the powers by Natural Resources Wales (NRW). This will be addressed through the development of clear guidance for the forestry sector and internal guidance for NRW to ensure a consistent and proportionate approach. Stakeholders continue to be engaged as this guidance is developed. We have consulted on the development and impact of the provision to amend the Forestry Act 1967 with a stakeholder group of forestry, land management and conservation representatives established for this purpose.

What evidence have you used to inform your assessment, including evidence from rural people or their representatives?

The assessment of the impacts of the Bill has been informed by the responses to the three consultations, set out above, as well as other evidence sources which are referenced in footnotes.

What other evidence would inform the assessment?

Policy development in the relation to the future Sustainable Farming Scheme is ongoing and we will continue to incorporate evidence to inform our proposals. In particular, the following projects will inform the assessment of the final scheme.

The Environment and Rural Affairs Monitoring and Modelling Programme allows us to estimate the impacts of potential scheme actions on land use, agriculture and environmental outcomes based on data drawn from full-time farms across Wales. This will help identify potential impacts across Wales. Please see the Cost-Benefit Analysis for how this work has informed the assessment of impacts.

Complementary to the ongoing modelling work is our programme of co-design. Co-design is essential for ensuring our proposals are practical and work for the industry and the second phase will be an important source of evidence for informing our proposals for the scheme.

The details of the future scheme will be subject to further impact assessment and consultation.

D. DATA PROTECTION IMPACT ASSESSMENT SCREENING

Existing powers: Agriculture (UK) Act

The Agriculture (UK) Act 2020 currently provides Welsh Ministers with data collection and sharing powers (Schedule 5, Part 3, paragraphs 10 – 15).

The UK Act provides Welsh Ministers with the powers to:

- Require a person in, or connected to, the agri-food supply chain to provide information about their activities in the supply chain (excluding ultimate consumers);
- Make regulations to require a person in, or connected to, the agri-food supply chain to provide information about their activities in the supply chain (excluding ultimate consumers).

Before a requirement is brought in, Ministers must publish a draft of the requirement and allow time for comments on the draft proposals.

Regulations would be introduced in the usual way, involving secondary legislation and detailed impact assessment.

These powers will expire, 'sunset', on 31 December 2024 and therefore need to be replaced with appropriate provision in the Agriculture (Wales) Bill. As outlined below, the Bill provides a continuation of these powers, but the potential scope is widened to go beyond the agri-food supply chain and encompass agricultural activities. The Bill itself will not result in data collection but will provide a legal basis for data collection in relation to agriculture.

Wales Bill

In the White Paper we stated the Welsh Government would bring forward data collection and sharing powers within the Agriculture (Wales) Bill.

We will bring the provisions as detailed within the Agriculture (UK) Act 2020 across to the Agriculture (Wales) Bill to ensure we retain the existing powers for data collection and sharing.

As in the UK Act, the powers will be enabling and will require Ministers to publish and consult on plans for specific data collection.

In contrast to the UK Act, the scope of data collection will be widened in the Bill due to a change in the definition of 'agriculture'.

The definition of 'agriculture' is being widened to include those activities which do not fall within the agri-food supply chain but are by their very nature involve land management and produce goods, e.g. crops for biofuels, ornamental horticulture.

In many cases these activities only differ from those of agri-food because of the destination post-farm gate rather than differences in on-farm activity i.e. they still require land management, cultivation and the application of farming techniques.

In other cases, e.g. crops for energy, the post-farm gate destination for the outputs may vary year-on-year depending on factors such as market prices and yield quality. Therefore, the same output cultivated in the same way may one year be classed as 'agri-food' and one year not.

The effect of the Bill is to allow Ministers to collect data on all agriculture regardless of post farm-gate destination, and not just those feeding into the agri-food supply chain. These powers will not extend to the collection of data on end consumers.

It is our intention through the Bill to provide a single legal basis for all data collection related to agriculture and the supply chain. Specific proposals to regulate data collection using the powers provided by the Bill would be subject to consultation and impact assessment. Proposals to require the collection of data would need to be published in draft and feedback gathered. The Bill also requires data collection to be monitored and reported on every five years.

Purpose of data collection in the Agriculture Bill

The Bill requires that when proposals are brought forward for specific data collection, the data that can be collected and the purposes for which the data can be collected will be clearly stated.

The purposes for data collection include, but are not limited to:

- Support persons in agri-food supply chains or persons carrying out agricultural activities to increase productivity, manage risks, manage market volatility;
- Monitor and evaluate financial assistance schemes;
- Enable targeted and risk based monitoring of regulatory compliance;
- Promote transparency or fairness in agri-food supply chains or agricultural activities;
- Promote the health, welfare or traceability of animals;
- Promote the health of plants;
- Minimise adverse environmental effects of activities connected with agri-food supply chains or agricultural activities;
- Minimise waste arising from activities connected with agri-food supply chains or agricultural activities;
- Monitor or analyse markets connected with agri-food supply chains or agricultural activities;
- Support research and evaluation to inform future policy development on agricultural activity and agri-food supply chains.

Necessity and proportionality

The result of the changes is that Welsh Government will be able to require or regulate the collection of data from all those undertaking agricultural activities and their associated supply chains, including those where the products are not designed to enter into nor are connected with the agri-food supply chain.

This will enable continuity and consistency in data collection and ensure we are able to gather information on all farmed land and its associated supply chain, regardless of the post-farm gate destination of the output.

Consistent data is particularly important for the Welsh Government to intervene with financial support in exceptional market conditions. In these circumstances, market data proving a collapse in profits in a sector would be essential in justifying a scheme. At present, data is collected by arms-length bodies such as the Agriculture and Horticulture Development Board (AHDB) and Hybu Cig Cymru (HCC) and can be used for such a scheme for beef, lamb, dairy, pork, cereals and oilseeds. Data is also collected by both the Welsh and UK Government for agriculture as a whole, but the data collected is not comprehensive enough to launch a financial support scheme in any sector, covering any sort of crisis agricultural businesses may face.

It is important to have the option to make responding to such data collection mandatory, because sufficient data is needed to justify launching a scheme. If some businesses provide data, but not

enough respond in order to launch a scheme, this means that businesses who have responded would still not have access to support. While it is important to have the option of making data collection compulsory, any enforcement needs to be proportional. If this data is being collected in a crisis, we need to be mindful of the financial strain that is likely to be experienced by businesses in such situations, so penalties with a greater impact on businesses would not be appropriate.

Impacts on individuals and businesses

The change in definition is anticipated to primarily affect businesses undertaking an activity not currently able to be classified under the existing provision of agri-food supply chain, as the (end) product is not food or drink, even though it is a product which would have been grown or cultivated agriculturally, for example:

- Crops grown for bio-energy; or construction;
- Ornamental and landscape horticulture –plants and flowers for businesses such as florists or garden centres, and turf for gardening/landscaping.

Whilst not undertaking activity for the agri-food supply chain, these businesses are undertaking land management. The effect of the Bill will be to include them in the scope of potential future data collection.

These activities may be undertaken as part of businesses which are also undertaking agri-food activities, or those which are solely engaged in non-agri-food activities. In both cases these activities involve the use of land to produce goods.

These industries are relatively small in Wales. The Office for National Statistics (ONS) estimates that, in 2021¹⁹⁷, there were 20 businesses operating under the classification of 'A0130: Plant Propagation', which includes ornamental horticulture, in Wales.

Given this, we consider the potential effects on individuals and businesses would be small but the powers are important for the Welsh Government to be able to effectively monitor agriculture and provide support. Any proposals to widen future data collection to include this group would be subject to further consultation and impact assessment.

Summary

Welsh Ministers will have the power to require or regulate for the collection and sharing of data on agriculture and the associated supply chain in Wales.

The Bill is intended to provide a legal basis for future data collection in this area.

Should this legal basis be used for future data collection, secondary legislation would be required for any regulation of data collection which would include consultation and a full Data Protection Impact Assessment. Any requirement for data collection would need a draft proposal to be published and time allowed for feedback. Plans for any requirement or regulation of data collection would need to:

- Describe the nature, scope, context and purposes of the processing;

¹⁹⁷

<https://www.ons.gov.uk/businessindustryandtrade/business/activitysizeandlocation/datasets/ukbusinessactivitysizeandlocation>

- Assess necessity, proportionality and compliance measures;
- Identify and assess risks to individuals; and
- Identify any additional measures to mitigate those risks. This would include factors such as the process for data storage, withdrawing consent, whether data will leave the UK or be accessed by any third parties.

We are continuing to consult with the Information Commissioner's Office (ICO) and this process will remain ongoing for development of any subsequent policy or secondary legislation.

A Data Protection Assessment Screening has been completed for the provisions and a full Data Protection Impact Assessment is not required at this stage.

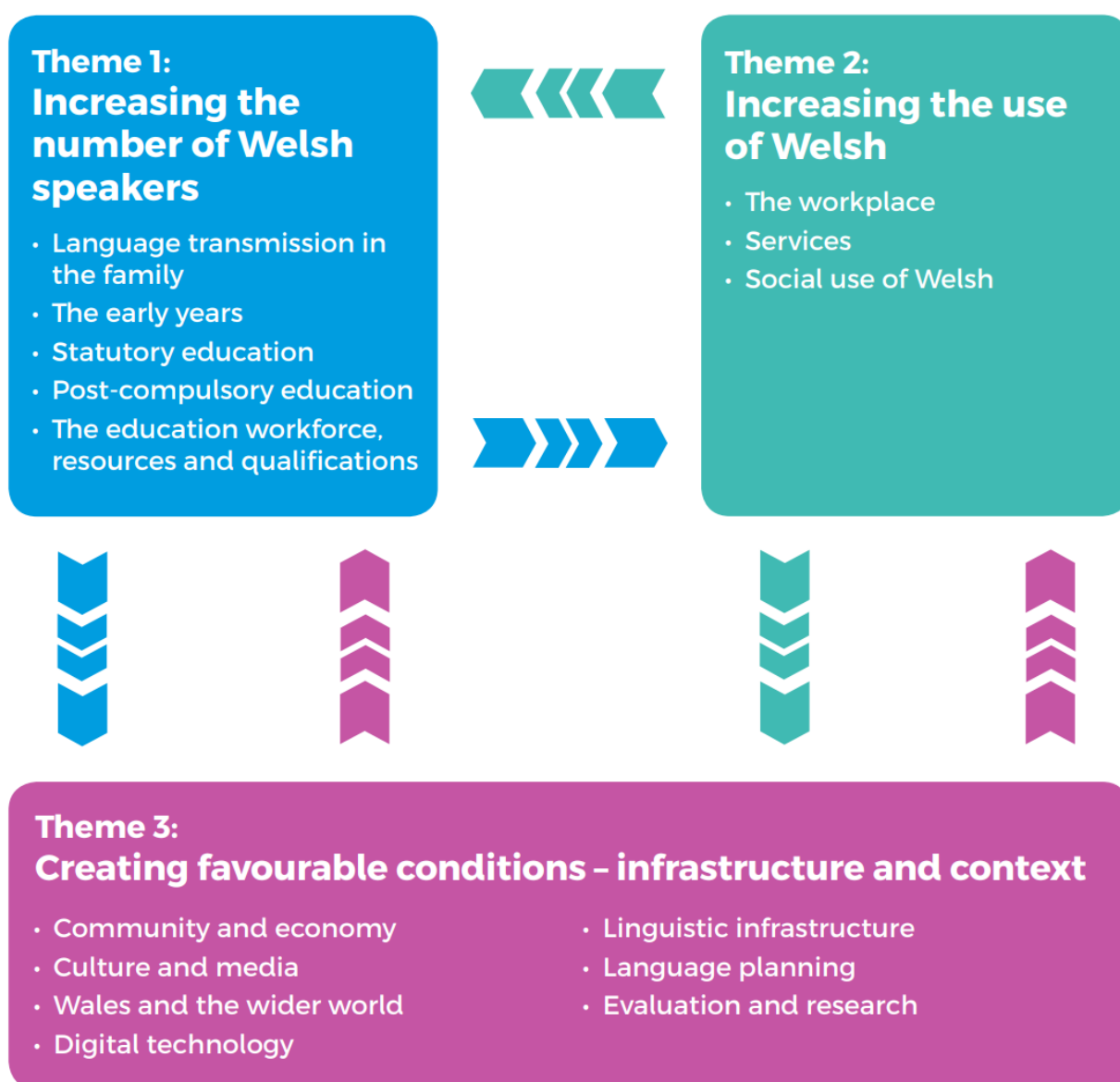
E. WELSH LANGUAGE IMPACT ASSESSMENT

Cymraeg 2050 is the Welsh Government's national strategy for increasing the number of Welsh speakers to a million by 2050.

The Welsh Government is fully committed to the new strategy, with the target of a million speakers included in its Programme for Government. A thriving Welsh language is also included in one of the 7 well-being goals in the Well-being of Future Generations (Wales) Act 2015.

We also have a statutory obligation to fully consider the effects of our work on the Welsh Language. This means that any Welsh Government policy should consider how our policies affect the language and those who speak it.

The *Cymraeg 2050* strategy has three interrelated themes:



The headings under each theme outline the scope of activities that can affect the language.

4. **Welsh Language Impact Assessment reference number (completed by the Welsh Language Standards Team): 05/06/2022**
5. **Does the proposal demonstrate a clear link with the Welsh Government’s strategy for the Welsh language? – *Cymraeg 2050 A million Welsh speakers* and the related Work Programme for 2017-2021?**

The most recently available Census data from 2021 shows 17.8% of people in Wales¹⁹⁸ aged 3 and over are able to speak Welsh. There are Welsh speakers in all parts of Wales, but the numbers and proportion of the population vary. The local authorities with the highest proportion of Welsh speakers are Gwynedd (64.4%), Isle of Anglesey (55.8%), Ceredigion (45.3%) and Carmarthenshire (39.9%). These local authorities are all largely rural in nature. The local authority with the highest number of Welsh speakers is Gwynedd (73,600), followed by Carmarthenshire (72,800).

Cymraeg 2050 identifies areas with a high density of Welsh speakers as central to the Welsh Government vision for increasing the number of Welsh speakers because they are likely to create favourable conditions for the use of Welsh. The higher the number and proportion of Welsh speakers in an area, the higher the chances of being able to use Welsh in daily life.

The percentage of people aged 3 and over able to speak Welsh decreased in the hundred years up to the 2021 Census, from 37.1% of the population in 1921 to 17.8% in 2011. Across age groups, the percentage able to speak Welsh is currently highest amongst 5 to 15 year-olds.

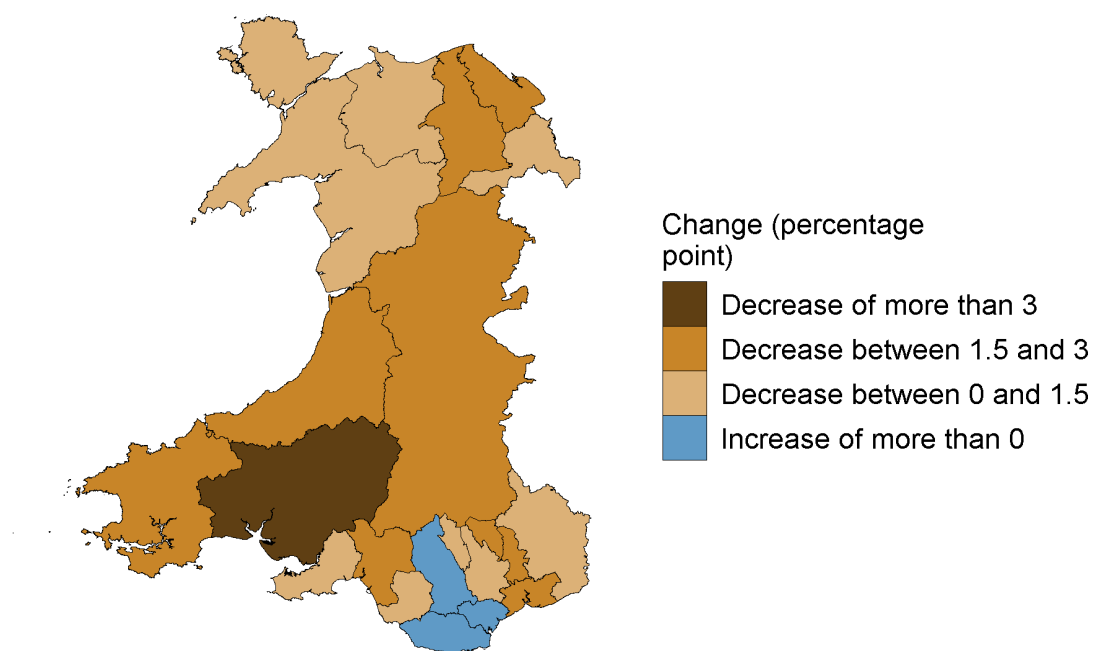
Regionally, Carmarthenshire saw the largest drop in the percentage able to speak Welsh – from 43.9% in 2011 to 39.9% in 2021. In addition, Powys, Denbighshire, Pembrokeshire and Ceredigion all saw a decrease of two or more percentage points in the proportion of Welsh speakers. Increases in the proportion of Welsh speakers were seen in Cardiff, Vale of Glamorgan, Merthyr Tydfil and Rhondda Cynon Taf. Figure 1a shows the change in the proportion of people aged three and over able to speak Welsh between 2011 and 2021 at the local authority level, and Figure 1b shows the change in the proportion of people aged three and over able to speak Welsh between 2011 and 2021 at the Lower Layer Super Output Area (LSOA) level.

It is important to note changes in the proportion of Welsh speakers can be caused by both an increase/decrease in the number of Welsh speakers and an increase/decrease in the number of non-Welsh speakers.

For all local authorities that saw a decrease in the proportion of Welsh speakers, there was also a decrease in the total number of speakers.

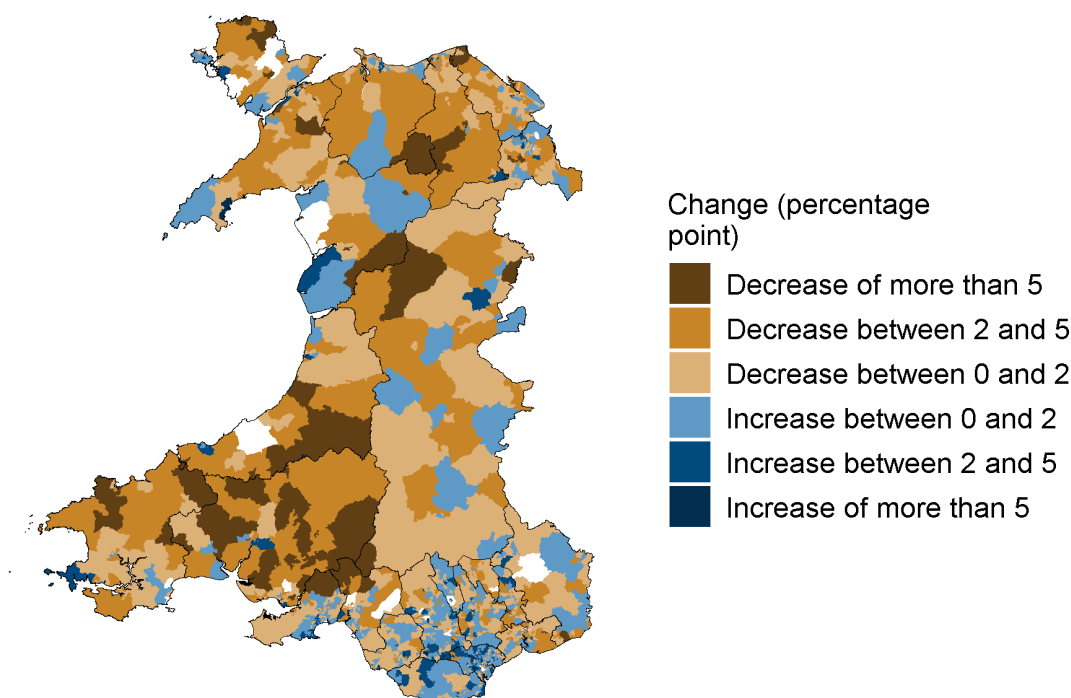
Figure 1a. Change in proportion able to speak Welsh, by Local Authority, 2011 and 2021

¹⁹⁸ The Census does not ask those living in England about their Welsh language ability.



Source: Census of population, 2011 and 2021

Figure 1b. Change in proportion able to speak Welsh, by Lower Layer Super Output Area (LSOA), 2011 and 2021



Source: Census of population, 2011 and 2021

Other data sources:

Alongside the Census, the Annual Population Survey (APS) and the National Survey for Wales (NSW) also ask respondents in Wales about Welsh language ability. It should be noted the Welsh language statistics provided by the Census, the APS and the NSW differ somewhat, and the Welsh Government has published guidance as to why these differences may occur¹⁹⁹. The Census remains the official data source regarding the number of Welsh speakers in Wales.

APS data²⁰⁰ for the year ending March 2021 estimates that the number of Welsh speakers (aged three and over) rose by 17.7% between 2011 and 2021 to 883,300 (29.1% of the Welsh population). In addition, the NSW estimates that while 10.7% of those aged 16 and over could speak Welsh fluently in 2021²⁰¹, an additional 21.9% had some Welsh speaking ability (4.8% speaking “a fair amount”, 11.0% speaking “a little”, and 6.1% able to speak “just a few words”). The distinction between fluent speakers and learners is not recorded in

¹⁹⁹ https://digitalanddata.blog.gov.wales/2019/03/27/chief-statisticians-update-a-discussion-about-the-welsh-language-data-from-the-annual-population-survey/?_ga=2.250860742.1355108752.1584093118-790930024.1584093118

²⁰⁰ <https://statswales.gov.wales/Catalogue/Welsh-Language/Annual-Population-Survey-Welsh-Language/annualpopulationsurveyestimatesofpersonsaged3andoverwhosaytheycanspeakwelsh-by-localauthority-measure>

²⁰¹ Survey estimates from April to June 2021

Census data, nor is information on frequency of Welsh use. It is unclear how many learners choose to record themselves as being able to speak, read, write and/or understand Welsh when completing the Census. In anticipation of the 2021 Census, Cymdeithas yr Iaith ([Welsh] Language Society) encouraged all Welsh speakers and learners to record their Welsh language skills, regardless of their ability level, which may impact on official statistics.

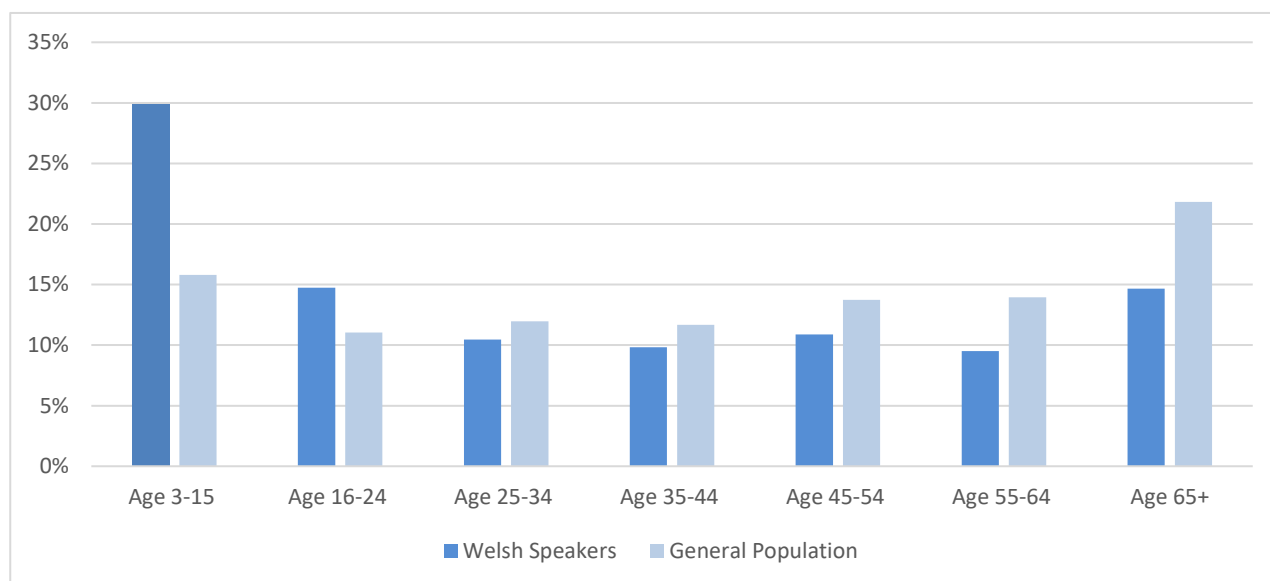
APS data for the year ending March 2021 also estimates the proportion of the population able to speak Welsh was 3.4 percentage points higher than in 2011. There was, however, considerable variation across Local Authorities (LAs). The proportion of Welsh speakers in some LAs was estimated to have grown substantially between the year ending March 2011 and the same period in March 2021, while other LAs saw a decrease. Regional variation did not generally follow a pattern with regard to the established Urban/Rural/Valleys/Other classification; some Rural LAs saw increases while others experienced decreases. It is important to note that the APS asks about frequency of use but not fluency, therefore it is not known how many learners of varying ability levels may choose to report their Welsh language skills when responding to the APS. Therefore, substantial increases may include those who are not fluent and will include those who do not regularly use Welsh.

There was also no clear pattern in relation to the actual number of Welsh speakers between different types of Local Authority.

One potential reason for increases in both the number and proportion of Welsh speakers is changes to education provision in Wales. The School Standards and Organisation (Wales) Act 2013 introduced a requirement for Local Authorities to prepare Welsh in Education Strategic Plans (WESPs) with more recent guidance emphasising the role of WESPs in supporting *Cymraeg 2050* and The Well-being of Future Generations (Wales) Act 2015. WESPs set out how each Local Authority will improve the planning of the provision of Welsh-medium education.

According to the APS, children aged 3 to 15 accounted for 30% of all Welsh speakers for the year ending March 2021, despite representing just 16% of the population of Wales aged 3 and over. Ten Local Authorities in Wales have seen an increase in the number of Welsh medium schools since 2008/09. While Local Authorities such as Gwynedd, Ceredigion and Carmarthenshire have seen substantial decreases in the number of Welsh medium schools, this is due to the closure and amalgamation of small rural schools. These Local Authorities have also seen an increase in the number of bilingual schools as provision of education is centralised in larger schools.

Figure 2 - Proportion of Welsh speakers by age group, compared with the general population (aged 3+) of Wales



Source: Annual Population Survey

Agriculture and the Welsh Language

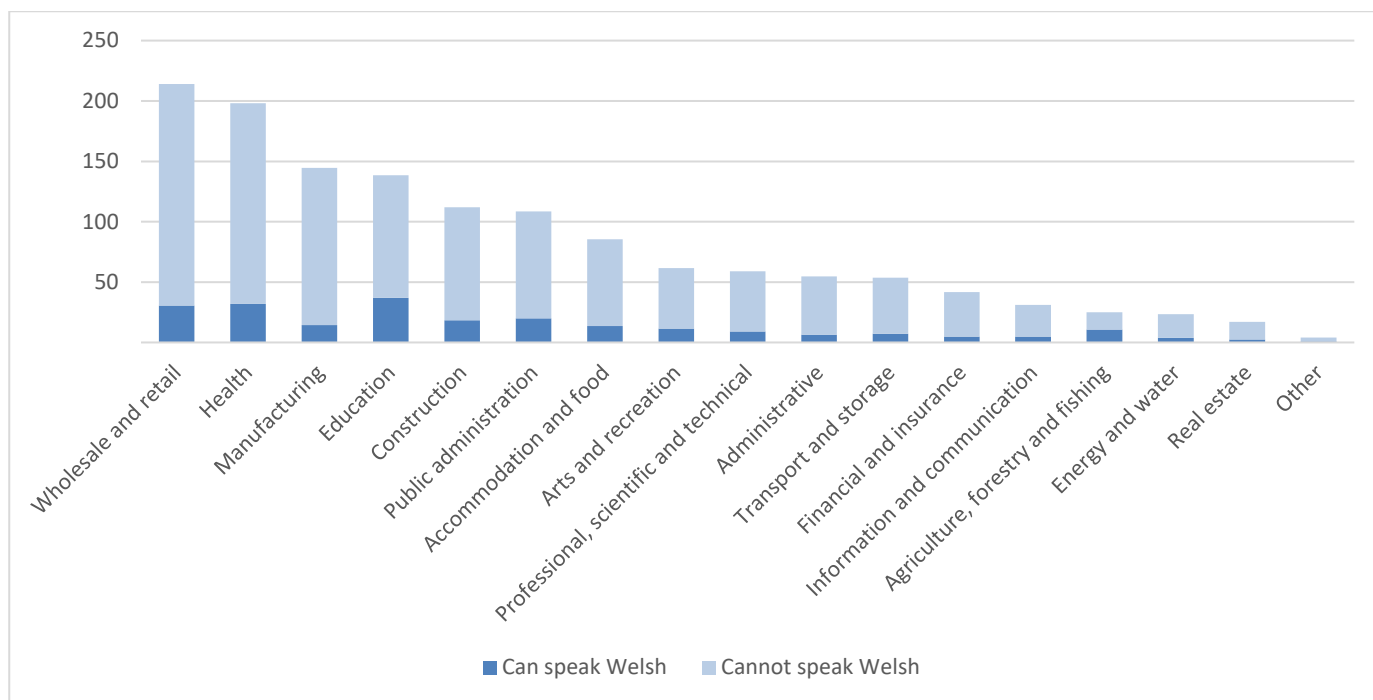
High-level statistics from the 2021 Census were published in December 2022, covering Welsh language skills by area and age group. The following section, presenting analysis relating to the agricultural industry, uses data from the 2011 Census, but will be updated to reflect the most recent data as soon as is practicable.

Census 2011 data²⁰² shows that despite the small size of the agricultural sector (Figure 3a), 2% of all workers in Wales, agriculture accounts for a relatively larger share of all Welsh speakers (5% of all speakers).

The agriculture sector (including fishing and forestry) has the highest share of Welsh speaking workers in Wales at 43%, also shown in Figure 3b. This is in comparison with the average for workers across all sectors at 16.6%.

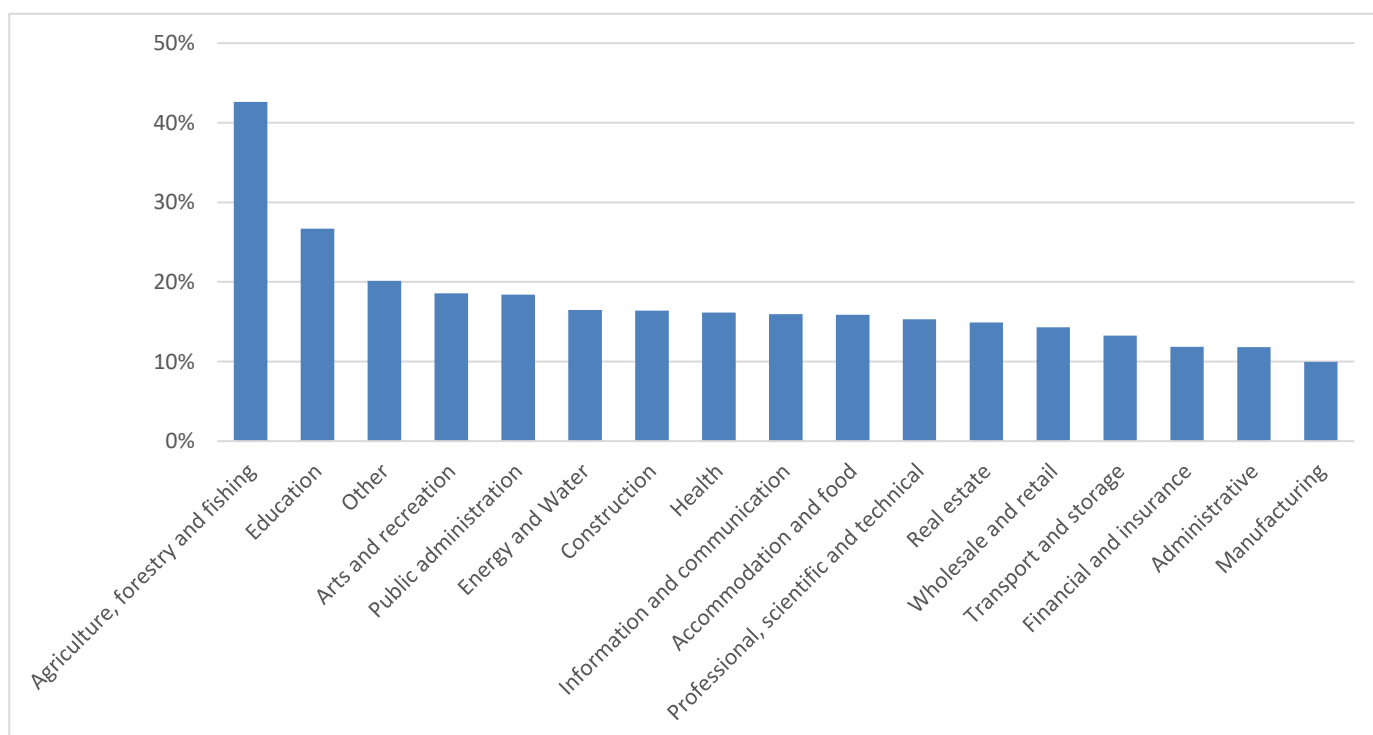
Figure 3a. Number of workers who speak Welsh by industry (thousands)

²⁰² <https://www.ons.gov.uk/peoplepopulationandcommunity/culturalidentity/language/adhocs/008881ct08342011census>



Source: Census 2011

Figure 3b. Percentage of workers who can speak Welsh by industry



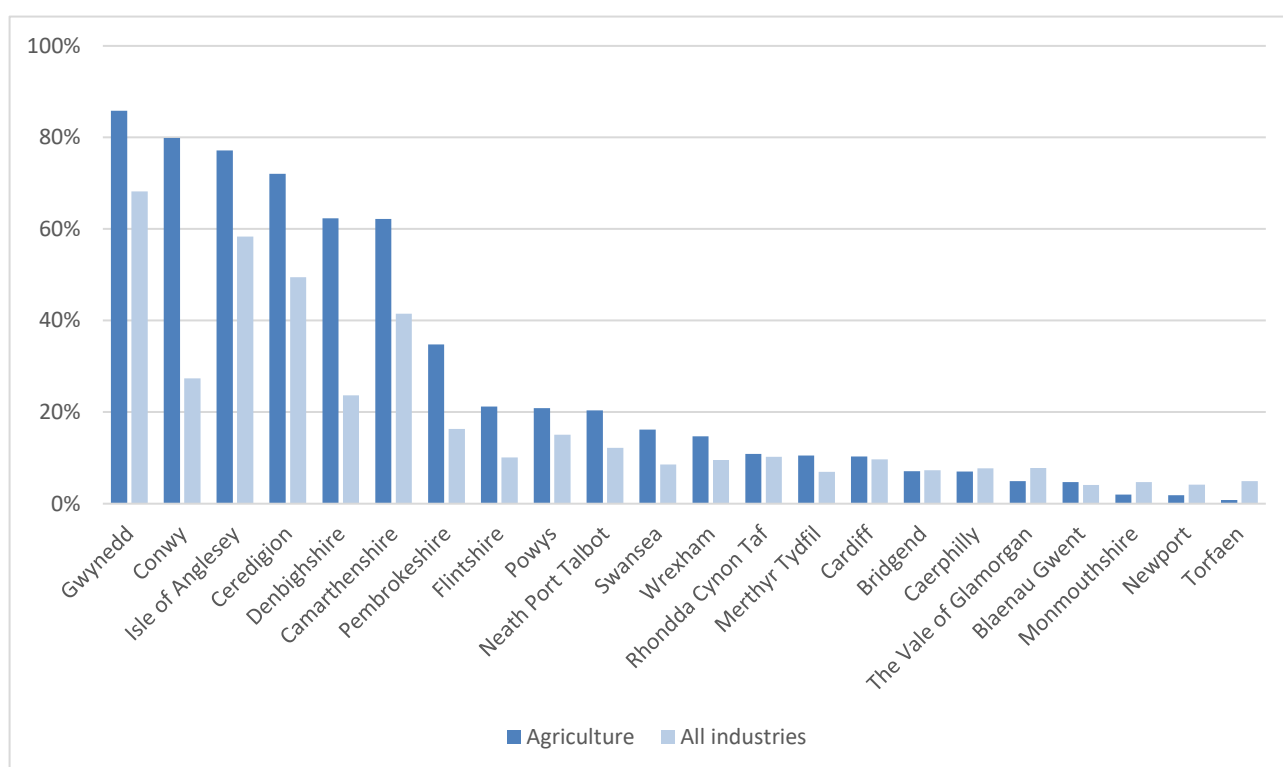
Source: Census 2011

Looking across all local authorities, 86% of agricultural workers in Gwynedd speak Welsh, which is higher than the average across all industries in the county (68%), whereas in Torfaen the figure for

agriculture is 1%, compared with an average of 5% across all industries (Figure 4). There is also variation amongst more rural local authorities where agriculture is a prominent industry. For example, 21% of agricultural workers in Powys speak Welsh compared with 72% in Ceredigion. These more rural local authorities are in many cases the same areas which saw larger decreases in the proportion of Welsh speakers between the 2001 and 2011 censuses (Figure 1a).

Higher shares of Welsh speakers within the agriculture industry are often found in rural local authorities that also have higher shares of Welsh speakers across the whole work force (Figure 4). However, there is a trend for the share of Welsh speakers within agriculture to be higher than the share for all workers in these local authorities. For example, Anglesey has a high share of the total workforce speaking Welsh (58%) but the share of agricultural workers in the local authority is higher (77%). The difference is most pronounced in Conwy and Denbighshire, suggesting a higher relative importance of agriculture for the Welsh language.

Figure 4. Percentage of workers in Agriculture who can speak Welsh compared with All Industries, by Local Authority



Source: Census 2011

Within local authorities there is further variation. In Gwynedd all the LSOAs²⁰³ with at least 10 agriculture sector workers have a majority who can speak Welsh. In Monmouthshire all the LSOAs with at least 10

²⁰³ A Lower Layer Super Output Area (LSOA) is a statistical reporting unit where each has a total population of around 1,600 people. There are 1,909 LSOA in Wales. The LSOA can be added up into other geographies such as local authorities, wards, constituencies etc.

agriculture sector workers have Welsh speaking rates below the average for all industries. In Powys, the LSOAs show Welsh speaking rates all across the range from very low to very high.

There are 30 LSOAs in Wales where Welsh speaking agriculture sector workers make up at least 20% of all Welsh speaking workers. These LSOAs are in Powys, Carmarthenshire, Ceredigion, Conwy, Gwynedd, and Pembrokeshire.

The three themes of *Cymraeg 2050* are linked, and agriculture already has a high proportion of Welsh speakers relative to other industries. There is the potential, therefore, for greater use of Welsh in agriculture in an environment that has greater potential to provide favourable conditions for the language, compared with other industries. Conversely, any potential negative impacts of the Bill on agriculture generally, such as the displacement of agricultural workers following farm business loss, could lead to negative impacts on the Welsh language through dispersal of Welsh speakers, reduced proportion of speakers in rural areas, a reduction in the everyday opportunities to use Welsh, or a combination of these factors.

Favourable conditions for the use of Welsh

Having Welsh language ability does not necessarily translate to using the language in the workplace, for a variety of reasons. The Welsh Government Report 'Welsh Language Needs on Eight Sectors'²⁰⁴ examined the relationship between language ability, use, and employer needs across 8 sectors in Wales. It found:

- 68% of agri-food businesses²⁰⁵ (including agriculture) had staff with Welsh language skills compared with 66% of all businesses; the highest was childcare at 94%;
- 34% of agri-food staff in the surveyed businesses were reported to have Welsh language skills, compared with 24% of staff across all businesses; the highest was childcare at 66%;
- Advanced level ability was most likely to be reported for staff in agri-food and creative businesses, and agri-food staff had a high level of ability across all domains (reading, writing, speaking, understanding);
- In agri-food businesses, staff were using Welsh; 19% of businesses reported that staff had Welsh language ability but didn't use it, whereas across all businesses it was 31%;
- Where agri-food businesses were using Welsh, they used it for informal and formal purposes, both written and spoken. These businesses were also using Welsh to conduct business with external partners (clients, customers etc.). This was not so common in other sectors and suggests Welsh is being used normatively in many agri-food businesses with Welsh speaking staff.

These results provide evidence that agri-food businesses, including agriculture, in Wales are providing more favourable conditions for use of the Welsh language compared with other industries, and that this extends beyond interactions occurring within the business. For farms,

²⁰⁴ Welsh Government (2014). Welsh language needs skills in eight sectors. Project Number: 47/2014.

²⁰⁵ Defined using Standard Industry Classification codes and includes production and manufacturing but excludes retail. Please refer to page 151 of the report for the list of codes.

interactions occurring outside of the business will include trade of animals, fodder, machinery etc. and a variety of other activities. For the 43% of farms²⁰⁶ in Wales that have diversified into other areas (e.g. tourism), these business interactions may also be occurring in a wider range of businesses.

Welsh, agriculture and the local community

Results from the National Survey for Wales 2018-19²⁰⁷ suggest Welsh speakers often feel they are part of strong communities; people who agreed that they felt a sense of belonging to their community were more likely to speak Welsh in everyday life compared with those that disagreed. A feeling of belonging is also likely to be associated with interactions with other members of the community, and these interactions may occur in Welsh.

In their report, *Farming – Bringing Wales Together*, National Farmers' Union (NFU) Cymru conclude that “*Welsh farmers are key promoters and protectors of Welsh culture, heritage and language*”, given the high proportion of Welsh speakers in agriculture and the extent to which farmers contribute to their communities. The report emphasises that “*...many farmers or individuals involved with the agricultural industry undertake leadership and voluntary roles in rural communities which contribute to community cohesion*”. Involvement in formal community networks and activities can be related to agriculture (e.g. technical groups, Young Farmers Clubs (YFCs), agricultural shows), or be unrelated (e.g. local council, church/chapel, sports clubs, community support groups, music and drama groups), while other networks will be less formal (friendships, chatting with neighbours). Through involvement in these networks, Welsh speaking agricultural workers and their families will be supporting the use of Welsh in a variety of settings.

Welsh language and the Bill

Sustainable Land Management (SLM) and future support

Changes to the structure of the agricultural sector have the potential to alter the contribution the sector makes to the resilience of the Welsh language. This is particularly relevant if there is a change to the outward migration of Welsh speakers from rural areas as a result of SLM and future support, or the inward migration of non-Welsh speakers. This will be dependent on the economic impacts of the Bill and future support; economic analysis is ongoing as we design the proposed future support.

The Bill sets SLM as the future policy framework for agriculture in Wales and provides the powers for a Sustainable Farming Scheme (SFS), within which farmers will be supported to deliver SLM. The proposed SFS is being designed to support farmers in implementing actions which will deliver the Welsh Government's desired outcomes. The scheme is not intended to encourage large-scale land use change of whole farms, rather we aim to support SLM practice holistically, delivering all four of the SLM objectives, such that agricultural land is retained within the industry. It is a key

²⁰⁶ Welsh Government (2019). Farm incomes in Wales, April 2018 to March 2019.

²⁰⁷ Welsh Government (2020). What factors are linked to people speaking the Welsh language? Social Research Number 27/2020.

principle of the proposed SFS that farmers should be kept on the land. The Bill is designed to support an active and resilient sector, with the proposed SFS providing a stable income stream for participating farms. In turn, a sustainable agricultural sector will provide employment opportunities for future generations and a reason for young people to remain in their communities.

The Bill and proposed SFS are designed to take action in tackling the climate emergency and nature emergency in a way that is beneficial for farms and rural communities. This is in line with the Welsh Government's existing commitments, as laid out in the Well-being of Future Generations (Wales) Act 2015²⁰⁸, which places a duty to consider both present and future generations, and our Carbon Budget, which states that the transition to net zero should be "fair and prosperous"²⁰⁹. The Welsh Government's approach, through adopting SLM in the Bill, is to promote land sharing practices, ensuring that future generations are able to farm in Wales. Supporting and enabling farmers to produce food in a sustainable manner through the purposes for support will contribute to the aim of keeping farmers on their land in Wales and sustaining the Welsh language within the sector.

The fourth SLM objective in the Bill sets out the specific aim of sustaining, promoting, and facilitating the use of the Welsh language alongside the conservation and enhancement of cultural resources more broadly. The development of any future agricultural support must consider how best to deliver all of the SLM objectives and so the Welsh language is a key component of the future agricultural policy framework in Wales.

In addition, the purposes for support in the Bill include supporting the Welsh language within an agricultural context, both directly and indirectly. The explicit purpose for support is to sustain the Welsh language and promote and facilitate its use.

Theme 3 of the *Cymraeg 2050* strategy places an emphasis on creating favourable conditions for the Welsh language to survive and thrive, specifically with the aim of 'Supporting the socioeconomic infrastructure of Welsh-speaking communities'. Many areas with a high density of Welsh speakers are those with a higher proportion of the population employed in agriculture, the public sector and tourism. *Cymraeg 2050* notes that it is important to sustain and grow communities with a high density of Welsh speakers.

The Bill will support and contribute towards *Cymraeg 2050* in a number of ways.

First, the Bill will provide the powers for farmers to be rewarded for undertaking actions in line with the SLM purposes, which will create a stable income stream for participating farms in rural communities. This income stream will be unaffected by changes in wider commodity markets and the trading environment and therefore help to create resilience for both farm businesses, including for agricultural tenants, and the wider community. The purposes for support include sustaining the Welsh language and promoting and facilitating its use, as well as purposes which will have a more

²⁰⁸ <https://www.futuregenerations.wales/wp-content/uploads/2017/02/150623-guide-to-the-fg-act-en.pdf>

²⁰⁹ <https://gov.wales/sites/default/files/publications/2021-10/net-zero-wales-carbon-budget-2-2021-25.pdf>

indirect positive impact on the Welsh language, such as improving the resilience of agricultural businesses and helping rural communities to thrive.

Resilient agricultural businesses contribute to employment for younger Welsh speakers both now and in the future, on-farm and in local businesses, therefore supporting the agricultural industry and wider rural communities. This will help retain people in Welsh speaking communities and reduce the need for young people to seek employment elsewhere, helping to address the issue of outward migration in relation to the health of the Welsh Language.

Second, the proposed SFS will, through the framework of SLM, support farmers to manage their farms in a way that maintains and enhances the capability of agricultural land to support the needs of future generations. This will help to support the long-term resilience of rural, Welsh-speaking communities by ensuring that the land can continue to be farmed in the future.

Third, the proposed SFS will be accompanied by an advisory service to support farmers in regulatory compliance and scheme participation. This service could comprise of a mixture of delivery mechanisms, including on-farm visits by an advisor and peer-to-peer knowledge sharing opportunities. This advisory service will be provided bilingually, in line with the Welsh Language Standards and in support of *Cymraeg 2050*. This will give Welsh speakers the opportunity to use Welsh in the workplace, and more informally with peers, helping the use of Welsh to be part of everyday life.

In addition, the future Sustainable Farming Scheme will contain a collaborative element which will encourage and provide opportunities for farmers to work together over larger areas. Getting involved in collaboration will provide opportunities for Welsh speaking farmers to work together, give learners the opportunity to work alongside native speakers and practice their language skills, and give non-Welsh speaking farmers exposure to the language in their day-to-day work. Applicants for the current Sustainable Management Scheme are asked to demonstrate how their proposals will support and encourage use of the Welsh language, and we are exploring how collaborative projects could be encouraged to do the same as we design this aspect of the proposed SFS.

Intervention in Agricultural Markets

The provisions will have a limited impact with regards to *Cymraeg 2050*: A million Welsh speakers and the related Work Programme for 2017-2021, as any impacts from the use of crisis intervention payments and Private Storage Aid will not directly affect the number of Welsh speakers. It may support objectives under Theme 3 of *Cymraeg 2050*, however, as financial support to farmers is likely to aid the maintenance of Welsh-speaking communities.

6. Describe and explain the impact of the proposal on the Welsh language, and explain how you will address these impacts in order to improve outcomes for the Welsh language.

How will the proposal affect the sustainability of Welsh speaking communities (both positive and/or adverse effects)?

SLM and future support

Sustaining the Welsh language and promoting and facilitating its use is set out as a purpose for support in the Bill, while other purposes for support will also provide an indirect contribution to the health of the Welsh language.

Research²¹⁰ on ‘Small’²¹¹ and ‘Very Small’²¹² farms in Wales provides some understanding of the role of Welsh farms in their communities. Between them, these Small and Very Small farms account for 87% of all farms in Wales. While Very Small farms account for 59% of Welsh farms, they only account for 5% of standard output and cover 15% of farmland, while Small farms (28% of Welsh Farms) account for 22% of output and 45% of farmland.

The report describes the differences between Small and Very Small farms, with Small farms more likely to resemble a ‘traditional’ family farm and Very Small farms more likely to be considered a ‘lifestyle farm’.

The research found that farmers on Small farms were more likely than those on Very Small farms to:

- Have previous experience of farming*
- Have inherited or taken over the family farm
- Be generating income from the farm to make a living*
- Be reliant on trade surplus and BPS payments for their living
- Be participating in an agri-environment or conservation scheme*
- Be able to speak Welsh fluently*
- Speak Welsh daily
- Speak Welsh in the home*
- Be involved in ‘many’ social or farming organisations
- Engage, collaborate and socialise with other farmers*
- Report feeling part of the farming and rural communities

*Indicates that the finding is statistically significant²¹³.

Farmers on Very Small farms were more likely to have purchased their farm (a statistically significant finding), be involved in a ‘few’ social or farming organisations, and were twice as likely to be educated to degree level.

The report also looks specifically at the difference between Welsh-speaking and non-Welsh-speaking farmers and found that Welsh speakers were more likely to feel part of the rural

²¹⁰ <https://gov.wales/sites/default/files/publications/2021-08/understanding-farmer-motivations-very-small-small-farms-full-report.pdf>

²¹¹ Defined as farms with a standard output between €25,000 to €125,000

²¹² Defined as farms with a standard output below €25,000

²¹³ The survey received 419 usable completed responses following initial contact with 1,916 individuals yielding a response rate of 21.9%.

community and reported higher levels of involvement in social and farming organisations than those who did not speak Welsh. Welsh speakers were also more likely to have inherited their farm, with non-Welsh speakers more likely to have purchased it.

These findings make a valuable contribution to the evidence base on the position of Welsh farmers in their communities. They suggest that the farmers who are farming to make a living, and are more likely to be engaging with government support schemes, are also those who are more likely to be Welsh speakers, part of well-established farming families, and have higher levels of participation in their local communities. It is important to note that the study does not consider the characteristics of Medium, Large, or Very Large farms²¹⁴. Given that these Small farms are more likely to be in receipt of BPS, then it follows that they will be more likely to be impacted by any changes to the support system, either positively or negatively. If farms are unable to continue trading, then there could be subsequent impacts for the local farming community, the local rural community, and the Welsh language, depending on what happens to the farm and the farming family in those circumstances.

An academic study regarding social capital in hill farming in Cumbria²¹⁵ noted that having fewer large farms in an area is substantially different to having lots of small farms, in terms of social capital and scope for collaborative efforts. It also noted the strong bonds of trust and casual agreements that have developed and been in place over many years and multiple generations (e.g. for collaboration and commons grazing arrangements). The evidence from Cumbria suggests that changes in the number and structure of farms can lead to the weakening of social capital and community cohesion; in Wales, this could also impact on the Welsh language and the sustainability of Welsh speaking communities.

The Bill has four SLM objectives, which Ministers will need to consider as they make decisions regarding future support and regulation of agriculture in Wales. These concern the sustainable production of food and other goods, addressing the climate and nature emergency, and the conservation, enhancement, and promotion the countryside and cultural resources as well as sustaining, promoting, and facilitating the use of the Welsh language. The objectives are complimentary to existing Welsh Government legislation, commitments, and strategies, such as *Cymraeg 2050* and the *Wellbeing of Future Generations (Wales) Act*.

By supporting the sustainability of farms, they will become more resilient to the challenges presented by climate change and changes in the trading environment. In addition, by managing their land and producing food in a sustainable way, farmers will help safeguard the future viability of farming in Wales, thus supporting the resilience of Welsh speaking communities.

In their report on the triple challenges of Brexit, Covid-19 and Climate Change, Public Health Wales²¹⁶ highlight that farmers, agricultural workers and those in rural communities may be

²¹⁴ Defined as farms with a standard output between €125,000 to €250,000, €250,000 to €500,000 and more than €500,000 respectively.

²¹⁵ https://www.researchgate.net/publication/312474569_Social_Capital_in_Hill_Farming

²¹⁶ <https://phw.nhs.wales/publications/publications1/rising-to-the-triple-challenge-of-brexit-covid-19-and-climate-change-for-health-well-being-and-equity-in-wales/>

disproportionately impacted by climate change through factors such as lost employment, reduced economic output and worsening working conditions due to extreme weather events. The Bill is designed to take action in the face of the climate emergency and build resilience to mitigate against the effects of climate change. This should, in turn, help support the sustainability of Welsh speaking rural communities.

The proposed SFS is being designed on the principle it should be available to all types of farm, including tenant farms. We are considering how we can structure payments, e.g. through capping, to ensure fair distribution in funding.

There will be a period of transition between the current system of support and the proposed SFS to allow farms to adjust and to ensure no farmer experiences a sudden cessation of their payments, regardless of whether or not they choose to join the new scheme. We will be consulting on our approach to this alongside our consultation on the final scheme proposals in 2023. In the interim we are introducing a framework of support for farms to take action in the face of the immediate challenges we face and prepare for the SFS. These initiatives will help mitigate against potential negative impacts on rural, and Welsh speaking, communities.

Intervention in Agricultural Markets

The provisions will have no impact on the status quo, but the continued ability of Welsh Ministers to support agricultural businesses in crisis should mean Welsh speakers in rural areas can continue to use the language in their community.

How will the proposal affect Welsh medium education and Welsh learners of all ages, including adults (both positive and/or adverse effects)?

There are no direct impacts on education, but maintaining a thriving agricultural industry provides opportunities for Welsh learners of all ages to use the language and develop their Welsh language skills within an industry where Welsh is used in many areas as the main language of communication. This contributes toward the *Cymraeg 2050* goal of creating favourable conditions for the Welsh language; a benefit to fluent speakers and learners alike.

Our proposals for the future Sustainable Farming Scheme continue to develop. As is currently the case through Farming Connect, the current Welsh Government Knowledge Transfer and Innovation Programme, there will be a variety of training opportunities available to those working in agriculture, which will be delivered bilingually, in line with the Welsh Language Standards. Bilingual courses and learning material will provide opportunities for learners to immerse themselves in the Welsh language, and become familiar with industry-specific terminology, which may encourage them to use Welsh more frequently in the course of their work.

How will the proposal affect services available in Welsh (both positive and/or adverse effects)? (e.g. health and social services, transport, housing, digital, youth, infrastructure, environment, local government etc.)

The proposed SFS will include provision of an advisory service, tailored to supporting the delivery of Sustainable Land Management purposes. This service will be delivered bilingually, in line with the Welsh Language Standards.

Farming Connect is in regular contact with a large proportion of Welsh farmers through its newsletters, knowledge transfer events and face to face support. The service provided via Farming Connect already hosts events and activities delivered in Welsh as the predominant language, which will continue to be a feature of the advisory service in the proposed SFS. This has a significant impact on the Welsh language service provided.

How will you ensure that people know about services that are available in Welsh and are able to access and use them as easily as they can in English? What evidence / data have you used to inform your assessment, including evidence from Welsh speakers or Welsh language interest groups?

All details in relation to the Bill and subsequent legislation, such as the SFS, will be available bilingually. In dealing with farmers through Rural Payments Wales online, 7.51% of contacts have requested communications in Welsh, however this does not reflect the level of engagement in Welsh; with many who have requested correspondence in English reverting to Welsh when having face to face or telephone conversations.

In their response to our consultation, *Sustainable Farming and Our Land*, the Welsh Language Commissioner reported hearing anecdotal evidence that written material in Welsh is not as accessible as equivalent material in English. It may also be the case that a lack of Welsh language options in the past has resulted in farmers having grown accustomed to conducting the paperwork aspect of their business in English, and simply requesting English correspondence by default. As we continue to develop the future SFS and associated support services, we will consider what can be done to ensure that Welsh language material is written in a style that reflects everyday speech and vocabulary. Encouraging Welsh speakers (and learners who feel able) to take up Welsh language correspondence options would contribute towards *Cymraeg 2050* by increasing the number of people using Welsh in their everyday lives.

What other evidence would help you to conduct a better assessment?

SLM and future support

To date, three consultations (*Brexit and our Land*, *Sustainable Farming and our Land*, and the Agriculture (Wales) White Paper) have been completed on the future of agricultural support in Wales. Respondents were asked to consider the impact of our proposals on the Welsh Language.

Brexit and our Land (2018) received 12,203 responses, 1,043 of which were substantive. Of these responses, a dominant view was that without a thriving agricultural sector rural communities would struggle to sustain themselves and that the Welsh language would suffer considerably. Respondents also emphasised that the *Cymraeg 2050* vision would only be achieved with a thriving rural economy.

Sustainable Farming and our Land (2019) received 3,322 responses, of which 508 were substantive. As with *Brexit and our Land*, respondents were clear that a strong rural economy was vital for the Welsh language, and that agriculture is a crucial part of rural communities. Concern was noted therefore that anything which alters the structure of the agriculture sector has the potential to impact on the Welsh language.

In total, 1,119 responses were received over the course of the Agriculture (Wales) White Paper consultation, which also asked respondents to comment on the first draft of the Integrated Impact Assessments. This included 232 responses from individuals and organisations, and a further 887 submitted through a campaign organised by the League Against Cruel Sports. Respondents expressed similar sentiments to the previous two consultations with regard to the Welsh Language, and some offered suggestions on how the proposals could support Welsh language usage, including through encouraging greater bilingualism and the importance of using Welsh more routinely in Welsh Government and across departments.

The Farming Connect report '*laith y Pridd/The Language of the Land*²¹⁷' asked members of the farming community 'How can agriculture contribute to the aim of reaching a target of a million Welsh speakers by 2050?'. Six themes were raised, of which two are directly relevant to the Bill:

- The subsidies system – respondents emphasised that payments supporting the family farm enable families to stay in rural areas, which in turn supports the Welsh language;
- Supporting activity on the land – the view was expressed that a move away from active agricultural management of the land would reduce activity in the wider rural economy which in turn lead to a decline in of the Welsh language.

The future Sustainable Farming Scheme will be available to all types of farm and reward active management of the land. This will help to support farm businesses, the wider economy and helping to sustain resilient Welsh speaking rural communities. In addition, it is a key principle of the proposed SFS that farmers should be kept on the land and the strategic objectives of the Bill reflect this; the objectives relating to climate change and biodiversity are to be met alongside the objectives of sustainable food production and the conservation and enhancement of cultural resources, including sustaining, promoting, and facilitating the use of the Welsh language.

We have engaged in a programme of co-design with farmers and other land managers in our consideration of the Bill and the proposed SFS. This will help to ensure that any potential unintended consequences with regard to the Welsh language are identified and addressed as early as possible. As with the previous co-design work, the second phase was undertaken bilingually, and participants were able to engage in Welsh if they preferred²¹⁸.

Further analytical work is being carried out to inform scheme design and estimate the economic impact of the scheme at the farm business, sector and regional levels. The results of this work will inform the assessment of the potential positive and negative impacts of the proposed SFS on rural communities, and therefore the Welsh language. It will allow us to identify any potential negative impacts and take action to mitigate them where necessary.

²¹⁷ Farming Connect (2020). *laith y Pridd Report*. <https://businesswales.gov.wales/farmingconnect/news-and-events/reports/laith-y-pridd-report-22092020>

²¹⁸ In the first phase of co-design, participants were able to complete the survey and participate in one-to-one discussions in either English or Welsh, and 8 of the 28 group sessions were conducted in Welsh with the remainder undertaken in English but including Welsh speakers. All facilitators and the project team were bilingual.

Data from the 2021 Census will continue to provide further valuable information on the number of Welsh speakers within agriculture when it is published. We intend to make use of this data when we assess the impacts of the proposed SFS in more detail if we are able to do so.

This impact assessment is kept under active review as our policy proposals for the scheme, and the underpinning evidence, is developed.

Tenancies

No current data is collected or available regarding the number of Welsh-speaking tenant farmers and numbers of existing arbitration cases conducted in Welsh.

How will you know if your policy is a success?

The Bill provides the powers for monitoring and evaluation of SLM as a whole, and of schemes delivered under the purposes for support. A future monitoring and evaluation strategy will detail how Welsh Government intends to assess the delivery of environmental, economic, social and cultural outcomes.

F. BIODIVERSITY IMPACT ASSESSMENT

The Well-being of Future Generations (Wales) Act 2015 includes the ‘Resilient Wales’ goal: ‘A nation which maintains and enhances a biodiverse natural environment with healthy functioning ecosystems that support social, economic and ecological resilience and the capacity to adapt to change (for example climate change).’

The Welsh Government’s Nature Recovery Action Plan states our ambition to reverse the decline in biodiversity, for its intrinsic value, and to ensure lasting benefits to society. It sets out how the Welsh Government will deliver the commitments of the UN Convention on Biological Diversity’s (CBD) Strategic Plan for Biodiversity and the associated Aichi Biodiversity Targets²¹⁹, to halt the decline in our biodiversity by 2020 and then reverse that decline.

The 2021 Programme for Government²²⁰ committed to ‘embed our response to the climate and nature emergency in everything we do’.

The Agriculture (Wales) Bill responds to this commitment by setting the objective to maintain and enhance the resilience of ecosystems and the benefits they provide, as one of the Sustainable Land Management (SLM) objectives. Ministers will have to consider how best to undertake maintenance and enhancement when exercising their functions under the Bill.

Future support for agriculture should be delivered under any of the SLM purposes which are described in Section 1 of this document, many of which would support biodiversity. This includes specifically ‘increasing the resilience of ecosystems’ but in many cases the other purposes could also positively impact biodiversity e.g. improving air quality and reducing GHG emissions would in turn benefit biodiversity.

Beyond its intrinsic value, there are a number of key benefits to be derived from increased biodiversity. These include:

- The contribution of biodiversity to ecosystem resilience - biodiversity provides a number of additional ecosystem services such as regulation and provisioning services, which are key to the sustainability of the Welsh farming sector;
- The beauty and sense of place of the Welsh landscape the tourism sector relies on (we provide some detail on the economic importance of the natural environment to Welsh tourism in *Agriculture in Wales*²²¹);
- Personal well-being through contact with nature²²².

²¹⁹ The Convention of Biological Diversity (CBD) and the associated Aichi Biodiversity Targets, for the 2011-2020 period, provides an overarching framework on biodiversity for countries part of the United Nations.

²²⁰ <https://gov.wales/sites/default/files/publications/2022-01/programme-for-government-update-december-2021.pdf>

²²¹ Welsh Government (2019). *Agriculture in Wales*.

²²² Mental Health Foundation & WWF-UK (2020). *Thriving with Nature. A Guide for Everyone*. <https://www.mentalhealth.org.uk/sites/default/files/Thriving-With-Nature-compressed.pdf>

This policy has also been designed to align with the Welsh Government's commitment to maintain and enhance biodiversity in the exercise of functions in relation to Wales, as set out in the Environment (Wales) Act 2016.

Embedding biodiversity

1. How will your proposal integrate biodiversity into decision making?

SLM and powers of support

The Bill explicitly addresses the need to maintain and enhance levels of ecosystem resilience, of which biodiversity is a fundamental component. Ecosystem resilience consists of:

- Diversity: both within and between species, and within and between ecosystems;
- Extent: areas large enough to sustain populations, support ecological processes and cope with pressures such as predation and the risks associated with climate change;
- Condition: impacts and pressures managed so the environment can support a range of organisms and healthy populations;
- Connectivity: organisms and populations able to move within and between ecosystems;
- Adaptability: ability of ecosystems to adapt to change.

The Bill requires Ministers to provide support and regulate for agriculture in a way that they consider best contributes to achieving the SLM objectives, including the objective to maintain and enhance ecosystem resilience. This will embed biodiversity into Government decision making.

The SLM purposes for future support will further integrate biodiversity in Government decision making. Maintaining and enhancing the resilience of ecosystems is set as one of the purposes for future support, but support for action targeting the other purposes will also in many cases positively impact on biodiversity. Likewise, taking action to support biodiversity can help deliver the other purposes. For example, mitigating flood and drought risk could be achieved through biodiversity action such as creating new woodland habitats which are able to slow the flow of water. Likewise, establishing a riparian area (e.g. shrubs and trees along watercourses) under the purpose of improving water quality will not only improve water quality but enhance woodland habitat and protect aquatic habitat.

The Bill will also support this integration at farm business level. The powers of support will enable funding, training, and advisory support to be provided to farms to deliver the outcomes we are seeking, including the maintenance and enhancement of ecosystem resilience alongside sustainable food production.

Forestry

The forestry provisions, as described in Section 1 of this document, seek to improve the current regulations and processes affecting the way in which woodlands are managed in Wales to better protect wildlife and ecosystem resilience. Supporting and encouraging active management of woodlands will enhance and protect woodland habitat.

Natural Resources Wales (NRW) are responsible for the control of felling Environmental Impact Assessments for new woodland creation, deforestation, forest tracks/quarries, and verification of Glastir Woodland Creation schemes through their regulatory role.

These provisions will enable “environmental” conditions to be enforceable under the Forestry Act 1967; help the Forestry Act align with other environmental legislation such as the Habitat Regulations 2017 and enables NRW to meet its SMNR (sustainable management of natural resources) and Section 6 duty under the same Act.

Tenancies

The provisions will ensure fair access for tenant farmers to the proposed Sustainable Farming Scheme (SFS), one of the strategic objectives the scheme must meet is to reverse the decline of biodiversity and increase levels of ecosystem resilience. As such, all impacts relating to Sustainable Land Management and future support for agriculture in Wales are also of relevance to tenant farms.

The tenancy provisions in the Bill will also ensure a fair and balanced approach between tenants’ and landlords’ interests. Cases will be determined by an independent arbitrator or (where both parties agree) third party who will be directed to take account of all relevant matters. This will include the activities undertaken as part of the proposed SFS, which include those aimed at reversing the decline of biodiversity and increasing levels of ecosystem resilience.

Marketing Standards

The powers covered under these provisions could cover agricultural production methods, insofar that they relate to marketing standards. Increased biodiversity is not the principal objective for the use of these powers, however, so biodiversity will only be indirectly affected by these provisions. It is unlikely that this impact would be negative.

2. Has your proposal ensured biodiversity is accounted for in business decisions?

The Bill requires Ministers to provide support and regulate for agriculture in a way that they consider best contributes to achieving the SLM objectives. This will embed biodiversity into Government decision making.

At the farm business level, many actions targeted at delivering SLM purposes could deliver cost savings to the farm business (e.g. nutrient management planning leading to a reduction in inputs) as well as biodiversity benefits. For those actions which may not achieve direct cost savings, the ability to provide financial support for them to be undertaken will further support action for biodiversity. In combination, this will support farms to build biodiversity into business planning.

3. How does your proposal improve understanding and raise awareness of the importance of biodiversity, encouraging others to act?

Understanding and awareness of the importance of biodiversity

The Bill sets ‘Maintaining and enhancing public access to, and engagement with, the countryside and the historic environment’ as an SLM purpose for which support can be provided. Over two thirds of public rights of way in Wales are on farmland and therefore are a crucial source of access to biodiversity, the natural environment, and our landscapes.

By supporting and enhancing our public rights of way, people can be given better opportunity to enjoy the outdoors and further their understanding of the biodiversity of Wales.

To maximise the benefits, the priorities of local communities should be supported. Future support, including under the proposed SFS, will be able to incorporate the priorities set out in Rights of Way Improvement Plans and of Local Access Forums into decision making. This will help make sure funding supports a place-based approach and will help put public access to nature at the heart of communities.

Depending on use and public behaviour, improved access may also represent a risk to biodiversity and have negative impacts on food production. The onset of the Covid-19 pandemic saw people seeking access to open spaces and the natural environment and, in some cases, brought concerns about impacts on biodiversity. Survey findings from the Snowdonia National Park²²³ demonstrated the negative impact that over-use of the countryside can have, with findings relating to bird species, litter, erosion, and fly camping. A survey by the National Sheep Association also highlighted that farmers have experienced an increase in sheep worrying attacks by dogs since the start of the Covid-19 pandemic, as dog ownership and countryside access increased. A rise in littering has been widely reported in the media. New measures to tackle livestock worrying were introduced in England and Wales in 2021 in order to mitigate this issue. Additionally, the Countryside Code has since been updated²²⁴ to reflect the way in which people are now accessing the countryside and aims to minimise the risk of negative impacts. Future support for improved access will need to further consider how these negative impacts can be mitigated.

Providing support for engagement activities should also help promote understanding and awareness of biodiversity and minimise the potential for negative impacts from improved access. Future support, including under the proposed SFS, will be able to support farms to host educational visits for school children and other learners.

Supporting children to learn about the sustainable production of food could have a number of positive impacts on biodiversity. Experiences with the natural environment are not only beneficial for children’s cognitive development but also allow the development of a connection with nature²²⁵. Educational visits to farms would therefore allow children to learn about the sustainable production

²²³ <https://snowdonia.gov.wales/protect/conservation-work/wildlife-in-lockdown/>

²²⁴ <https://naturalresources.wales/about-us/news-and-events/news/new-countryside-code-guidance-to-support-farmers-and-land-managers/?lang=en>

²²⁵ <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC6401598/>

of food, raise awareness of the natural environment and could encourage environmental stewardship which would in turn help support biodiversity in the future.

Encouraging others to act, providing specialist training

Setting 'maintaining and enhancing the resilience of ecosystems' as one of the SLM purposes for support will enable Ministers to directly fund initiatives which support biodiversity in line with the Nature Recovery Action Plan. This will include the ability to support specialist training and Continued Professional Development (CPD) on biodiversity for farm businesses.

Forestry

The forestry provisions to amend the Forestry Act 1967 to enable environmental conditions to be included in felling licences provides a focus on biodiversity and the environment for those businesses requiring a felling licence.

Improving our evidence, understanding and monitoring

4. Have you used the best available evidence of biodiversity to inform your proposal and this assessment?

SoNaRR

Our evidence pack *Agriculture in Wales*²²⁶ summarised the evidence from the NRW 2016 State of Natural Resources Report (SoNaRR), which informed our developing priorities. The overall conclusion of SoNaRR at that time was “...*all ecosystems have problems with one or more attributes of resilience. This means that their capacity to provide ecosystem services and benefits may be at risk. No ecosystem, on the basis of our assessment, can be said to have all the features needed for resilience*”.

The SoNaRR 2021²²⁷ identifies the following opportunities to support ecosystem resilience on enclosed farmland in particular:

- 'Create resilient ecological networks by restoring and creating habitats within and around production systems.
- Agroforestry and hedgerow expansion. Increase the numbers of trees and hedges to sequester carbon and increase ecosystem services while maintaining the primary purpose of food production.
- Promote nature-friendly land management with horse owners. Approximately 6% of Enclosed Farmland is managed for equines. Currently this land is not considered in land use policy and is often poorly managed.
- Sustainable use and management of nutrients. Use soil analysis, nutrient planning and precise application methods to minimise artificial inputs and meet crop requirements.

²²⁶ Welsh Government (2019). *Agriculture in Wales*.

²²⁷ <https://cdn.cyfoethnaturiol.cymru/media/693305/sonarr2020-theme-biodiversity.pdf>

- Promote interventions to prevent ammonia release to the air including covering slurry stores, restricting urea-based fertilisers and injecting slurry.'

We will be continuing to incorporate evidence from SoNaRR, and the opportunities identified as we develop policy as a result of the Bill, including for the proposed SFS.

Glastir Monitoring and Evaluation Programme (GMEP)

The GMEP programme²²⁸ monitored ten high level outcome biodiversity indicators which cover the countryside as a whole and for Priority Species and Habitats. These results inform assessment of future Glastir impacts and long-term national trends. The baseline assessment found in particular:

- Changes in habitat condition as a result of management can take a long time to be realised, highlighting the importance of consistency in approach;
- Areas which have been targeted for improvement over a number of years, e.g. Blanket Bog and Purple Moor Grass and Rush Pasture, have seen an improvement in condition;
- An increase in hedgerows being managed but a decline in woody species richness;
- Positive trends over the last ten years for the presence of plant species indicating good condition for habitat and improved land. No change for woodland and arable.

Local Environment Record Centres

Our Environment and Rural Affairs Monitoring & Modelling Programme (ERAMMP) evidence review has included A Review of the Contribution of Species Records held by Local Environmental Record Centres in Wales²²⁹.

The ongoing modelling and monitoring programme includes the National Field Survey which enables reporting of long-term trends and has informed our priorities. Biodiversity monitoring is a significant component of this work and provides an important evidence base from which to develop future support.

ERAMMP

We commissioned range of evidence reviews from ERAMMP²³⁰ to inform our developing proposals, including on the following issues relevant to biodiversity:

- Soil nutrient management;
- Sward management;
- Ecosystem resilience;

²²⁸ <https://gmp.wales/sites/default/files/GMEP-Final-Report-2017.pdf>

²²⁹ Smart, S.M, et al. (2019) ERAMMP Report 22: LERCs. Report to Welsh Government (Contract C210/2016/2017)(CEH NEC06297).

²³⁰ ERAMMP Evidence Reviews can be accessed at <https://erammp.wales/en/r-sfs-evidence-pack>

- Flood risk management;
- Systems approach to greenhouse gas emission reductions;
- Improving air quality.

These evidence reviews were part of a wider evidence pack produced by a community of reviewers across disciplines. This ensured a consensus was established and a rigorous, up to date, evidence base was provided for policy development. Together, 849 peer-reviewed research papers were drawn upon.

5. Have you used up to date knowledge of the key impacts on biodiversity to make evidence-based decisions?

The ERAMMP evidence reviews described in question 4 assessed the logic chain and causal links to outcomes for a range of potential interventions. This work also considered the trade-offs and co-benefits for each intervention²³¹. Interventions were found to rarely affect only single outcomes indicating opportunity for delivery of multiple benefits but also that trade-offs need to be considered in order to avoid the delivery of one outcome to the detriment of others.

The SLM framework provided by the Bill intends to avoid negative trade-offs by requiring that any future support or regulation for agriculture considers how the SLM objectives can best be achieved. This will help ensure that drivers of change, and potential negative factors, are considered holistically.

The reviews also highlighted that many potential actions to deliver outcomes had a spatial element related to whether the benefits would be realised or added value could be gained. This was also found for biodiversity actions. For example, undertaking an action across a number of connected farms or at catchment scale can offer the opportunity for added value.

By focusing on the SLM outcomes (rather than specific actions) through the purposes for support, the Bill will also allow for a place-based approach where the right action can be taken in the right place to ensure outcomes are delivered and opportunities for added value are considered.

This report, and other evidence, continue to inform policy proposals as they develop. The Cost-Benefit Analysis accompanying the Bill contains a further assessment of potential biodiversity impacts.

6. Can your proposal contribute to our body of knowledge for biodiversity?

The Bill introduces the requirement to monitor and report on the delivery of SLM and the SLM purposes funded under powers of support. Future schemes will be subject to robust monitoring and evaluation and the findings will be publicly available.

²³¹ Emmett, B.A. et al. (2019). Report-10A: Integrated Analysis. ERAMMP Report to Welsh Government (Contract C210/2016/2017) (CEH NEC06297)

Governance and support for delivery of biodiversity action

7. Can your proposal support biodiversity action in any way?

The Bill is designed to enable direct support for biodiversity action. The SLM framework will require that Ministers consider how best to support ecosystem resilience, which includes biodiversity, when exercising powers in the Bill.

The Bill also specifies ‘maintaining and enhancing the resilience of ecosystems’ as a purpose for future support. This will allow the direct support of biodiversity action. Biodiversity benefits are also expected through support for the other purposes for support.

Future support under the purposes, including the proposed SFS, will be able to support partnership and collaboration for biodiversity-based action according to local priorities and to deliver outcomes at a larger scale.

Forestry

Our provisions to amend the Forestry Act 1967 to add conditions to felling licenses will help to address a disjoint between the Forestry Act and other environmental legislation, and help to better protect wildlife and the environment during felling operations.

8. Can your proposal help to build capacity for biodiversity action?

We want to ensure our agricultural industry has the right knowledge of innovation available to be able to improve productivity and resilience and deliver the outcomes we are seeking, including the maintenance and enhancement of ecosystem resilience.

Building skills for biodiversity action could be developed and provided under future support, including as part of the proposed SFS, through a range of channels including specialist advice, knowledge transfer exercise and farm demonstration events. Importantly, we also want to ensure skills training, innovation and capital support are fully joined up to enable farmers and foresters to adopt the right technology and techniques to improve their business resilience.

9. Have you recorded decisions and actions to maintain and enhance biodiversity?

Our provisions are consistent with our S6 duty and could input into any reporting on our S6 duty that Welsh Government produces.

Safeguarding species and habitats of principal importance

10. Is all legislation complied with to ensure protection of marine and terrestrial species and habitats?

The Bill explicitly focuses on protection of biodiversity and habitats and will provide Ministers with powers to support agriculture in achieving SLM. Any requirement for licenses, monitoring, and enforcement, e.g. arising from the proposed SFS, will be considered and actioned to ensure ongoing compliance with legislation.

Forestry

Our forestry provisions are specifically aimed at better protection of woodland species and habitat and provide a better join-up between the Forestry Act and other environmental legislation.

There is no requirement for Environmental Impact Assessment (EIA), Strategic Environmental Assessment or Habitats Regulations Assessment of the Bill at the current stage, but any requirements will be considered for specific secondary legislation arising as a consequence of the Bill.

11. Does the proposal seek first to maintain and enhance biodiversity?

The Bill intends to address biodiversity loss and increase ecosystem resilience. In order to do this, the provision of future support for agriculture must consider how this support can best maintain ecosystem resilience alongside the other SLM objectives.

The Bill is expected to support the increased provision of functioning habitats through enabling support for maintenance and enhancement of habitat condition, diversity and ecological resilience of semi-natural habitats, farm woodlands and other trees and hedgerows within farmland.

We have conducted a range of evidence reviews (Keenleyside et al²³²) which have shown that for semi-improved grassland (which may be of significant value, for example, as habitat for a range of widespread but declining species, such as starling, yellow wagtail and lapwing), there is scope for relatively simple and important conservation gains (including connectivity) as a result of applying interventions appropriate for semi-natural land, without the need for intensive habitat restoration. Given that an estimated 20% of Wales is comprised of semi-natural grassland²³³ and around 90% of land is agricultural²³⁴, future policy aligned with the purposes for support, including the proposed SFS, offers the potential to deliver improvements in biodiversity across the whole of Wales.

Forestry

The forestry provisions would allow NRW to add conditions or amend felling licenses to ensure felling takes place sustainably. Presently, NRW cannot attach conditions to felling licences to ensure the integrity of protected sites, protected species or other sensitive 'environmental

²³² Keenleyside, C.B., et al. (2019). Annex 4: Building ecosystem resilience. ERAMMP Report to Welsh Government (Contract C210/2016/2017) (CEH NEC06297).

²³³ Countryside Survey (2007) <https://countrysidesurvey.org.uk/sites/default/files/CS-Wales-Results2007-Chapter03.pdf>

²³⁴ Either through farmland or commons. <https://gov.wales/sites/default/files/statistics-and-research/2020-12/survey-agriculture-and-horticulture-june-2020-932.pdf>

receptors'. The provisions help to address the disjoint between the Forestry Act 1967 and other environmental legislation.

Increasing the resilience of our natural environment

12. Does your proposal contribute to building the resilience of our ecosystems?

Maintaining and enhancing ecosystem resilience is set as one of the four SLM objectives, and also as one of the purposes for future support and regulation in support of agriculture. This will enable benefits to be delivered at scale. Ecosystem resilience is expected to be enhanced through building stronger networks of habitats and promoting connectivity. Evidence shows that the following actions,²³⁵ consistent with SLM, would help promote habitat connectivity at a landscape scale:

- Improving site condition through good management to improve within-patch connectivity and fitness of populations;
- Increasing habitat patch size;
- Developing buffers around patches;
- Expanding habitat to join patches;
- Developing stepping stones between patches;
- Developing corridors;
- Improving the condition of land between habitat patches to increase permeability;
- Improving the extent and condition of landscape features such as hedgerows, field margins and water courses;
- Developing networks of habitats; and
- Encouraging large continuous areas of habitat at a landscape scale.

13. Does your proposal contribute to the creation of new habitat?

Through the powers of support, the Bill will enable the maintenance and creation of landscape features which provide important habitats for wildlife on all agricultural land across Wales and will safeguard protections for these habitats which may have otherwise been lost. The evidence base that underpins the range of actions that could be funded under the Bill's purposes (Keenleyside et al²³⁶) suggests that to increase the resilience of habitat networks in Wales, creation or restoration of habitat on both semi-improved and improved land is necessary. Restoration and creation are essential components of landscape-scale management of semi-natural habitats.

Tackling key pressures on species and habitats

²³⁵ Latham J., Sherry J. and Rothwell J. (2013) *Ecological Connectivity and Biodiversity Prioritisation in the Terrestrial Environment of Wales*. CCW Staff Science Report No. 13/3/3.

²³⁶ Keenleyside, C.B., et al. (2019). Annex 4: Building ecosystem resilience. ERAMMP Report to Welsh Government (Contract C210/2016/2017) (CEH NEC06297).

14. Will the proposal have any negative impacts on habitats or species through change in land use or causing pollution?

As the Bill concerns primary legislation there will be no direct changes in land use as a result. The provisions in the Bill are intended to enhance habitats and species, and deliver wider benefits such as improved air and water quality which also benefit biodiversity.

Future policy development, including the proposed SFS, will need to consider any potential negative impacts and how these can be mitigated.

Any proposed changes in land use to achieve the SLM purposes, e.g. tree planting to increase carbon sequestration, would need approval through the EIA regulations on an individual project basis over five hectares in the usual way with due regard being given to biodiversity at the intended site.

As outlined above, increased access to the countryside as a result of the purpose for support regarding enhanced access and engagement has the potential to have negative impacts on local habitats and species if users of access are not aware of the Countryside Code and their responsibilities in the natural environment. Proposals to increase access would need to consider how this risk might be mitigated.

15. Has all legislation regarding the pressures on species and habitats been complied with? This would include:

The Bill is intended to build upon existing legislation regarding pressures on species and habitats and enable direct action to reduce these pressures. Taking action to reduce pollution, control invasive non-native species and mitigate and adapt to climate change would all be consistent with the delivery of SLM and purposes for future support.

Tenancies

Cases will be determined by an independent arbitrator or (where both parties agree) third party who will be directed to take account of all relevant matters. This may include legislation regarding relating to pollution control etc.

16. How will any negative impacts be mitigated?

Whole system approach to sustainable management of agriculture

Through the SLM purposes for support, Bill is designed to encourage a whole system approach to maintaining and enhancing the environmental, social, and economic sustainability of agriculture in Wales. Requiring Ministers to consider how they can best deliver these objectives, which include mitigating against climate change, should reduce unintended negative impacts.

The purposes for future support will allow direct action to be taken to reduce pollution and mitigate climate change in agriculture. Many of the outcomes we are seeking can be delivered through actions which deliver co-benefits, further supporting a whole system-approach.

The impact of our provisions on pollution and climate change is considered in the Climate Change and Natural Resources Impact Assessments.

Supporting pollinators

Evidence²³⁷ shows there has been growing concern regarding the population status of insect pollinators, and in turn the pollination service they provide. The main threats to pollinators include habitat loss, environmental pollution, climate change and the spread of alien species. A 2015 review in the context of the status of the UK's butterflies suggests climate change may pose more of a threat to UK species than had been previously realised²³⁸.

An approach to future based on the SLM purposes for support will address some of the challenges facing pollinators including habitat loss, environmental pollution, and climate change. Many actions consistent with SLM would also be beneficial for pollinators. For example:

- Reduction of artificial fertilisers;
- Reductions in pesticide use through integrated pest management;
- Agroforestry and hedgerow management and creation;
- The planting of species-rich grassland and meadows (both as permanent pasture and as part of a rotational system); and
- The creation of in-field wildlife corridors, pollinator strips and beetle banks.

Action to maintain and create habitat would be consistent with the purposes for future support and also benefit pollinators. This could include tree planting/woodland management, hedgerow creation and maintenance and the restoration/maintenance of important habitats such as rivers, streams and ponds, blanket bogs and upland and lowland health.

Summary Table

Question number	Opportunities for positive action	Negative impacts of the proposal	Actions needed to maximise positive opportunities and prevent negative impacts
1 How will your proposal integrate biodiversity into decision making?	SLM framework will underpin all future support and regulation for	No immediate negative impacts arising as Bill	Future support under the Bill will need to consider how best to deliver the SLM

²³⁷ Potts, S. G., Biesmeijer, J. C., Kremen, C., Neumann, P., Schweiger, O., & Kunin, W. E. (2010). Global pollinator declines: trends, impacts and drivers. *Trends in ecology & evolution*, 25(6), 345-353.

²³⁸ Fox, R., Brereton, T., Asher, J., August, T., Botham, M., Bourn, N., Cruickshanks, K., Bulman, C., Ellis, S., Harrower, C. & Middlebrook, I., (2015). *The State of the UK's Butterflies 2015*.

	agriculture. The objective of 'maintaining and enhancing ecosystem resilience' must be considered when developing future support.	concerns primary legislation.	objectives in the round. This should minimise trade-offs and negative impacts.
2 Has your proposal ensured biodiversity is accounted for in business decisions?	The SLM framework intends to ensure a whole system approach is used when providing support for agriculture – the ecosystem resilience objective will ensure biodiversity is embedded in future government decisions around agriculture	No immediate negative impacts arising as Bill concerns primary legislation.	Many actions consistent with SLM deliver economic benefits to farm businesses. Future support under the Bill, including the SFS, therefore has the potential to embed biodiversity into farm business decision making.
3 How does your proposal improve understanding and raise awareness of the importance of biodiversity, encouraging others to act?	The Bill will enable support to be provided to increase understanding and awareness in both the agriculture sector and wider population	No immediate negative impacts arising as Bill concerns primary legislation.	Future support will be able to fund increased access to the countryside, educational visits, and professional training for the sector. Future schemes will need to consider how to mitigate potential negative impacts of increased access.
6 Can your proposal contribute to our body of knowledge for biodiversity?	The Bill introduces a requirement to monitor and report on the delivery of SLM and the outcomes we are	No immediate negative impacts arising as Bill concerns primary legislation.	Future support will need a robust monitoring and evaluation strategy, building on Welsh Government's

	seeking. This will contribute to our knowledge base.		existing monitoring and evaluation programme to enable long-term identification of change and drivers of change.
7 Can your proposal support biodiversity action in any way?	The Bill will enable able support to be provided to the agriculture sector to take action to deliver biodiversity benefits.	No immediate negative impacts arising as Bill concerns primary legislation.	Future support will need to ensure appropriate action at a location is taken for the needs of that location. Advice, guidance, and support will be important for to ensure a place-based approach and support this action.
8 Can your proposal help to build capacity for biodiversity action?	The Bill will enable support to be provided to build capacity for action in the agriculture sector where it best contributes to achieving the SLM objectives.	No immediate negative impacts arising as Bill concerns primary legislation.	Future support, including the SFS, will need to consider how best to engage with different farms to build capacity across Wales, encourage participation and ensure a place-based approach. This could involve events, specialist training, or webinars but needs to be tailored to the requirements of the sector.
9 Have you recorded decisions and actions to maintain and	Our provisions are consistent with our S6 duty and could input into any reporting on our S6		Future support will need to ensure compliance with this duty.

enhance biodiversity?	duty that Welsh Government produces.		
10 Is all legislation complied with to ensure protection of marine and terrestrial species and habitats?	Yes.		Any requirement for licenses, monitoring, and enforcement, e.g. as part of the proposed SFS, will need to ensure ongoing compliance with legislation.
11 Does the proposal seek <u>first</u> to maintain and enhance biodiversity?	Yes. Maintaining and enhancing ecosystem resilience is one of the four SLM objectives. Future support and regulation for agriculture must consider how this can be delivered.	No immediate negative impacts arising as Bill concerns primary legislation.	Future support designed to meet more than one of the purposes for support offers the opportunity to maximise biodiversity benefits. e.g. lichen-rich ecosystems are vulnerable to ammonia emissions ²³⁹ . On-farm actions taken in support of the air quality purpose for support will therefore have also positive impacts on biodiversity.
12 Does your proposal contribute to building the	Yes. The Bill explicitly addresses ecosystem resilience and enables support to be provided to	No immediate negative impacts arising as Bill	Many actions which increase ecosystem resilience also provide multiple other benefits, e.g.

²³⁹ <https://cdn.cyfoethnaturiol.cymru/media/693285/sonarr2020-theme-air-quality.pdf>

resilience of our ecosystems?	agriculture in order to maintain and enhance ecosystems	concerns primary legislation.	actions to improve water quality can increase soil biodiversity whilst offering cost savings to farm businesses through reduced use of inputs. Designing future support in a way which meets multiple purposes for support, as with the SFS, has the potential to maximise outcome delivery across Wales.
13 Does your proposal contribute to the creation of new habitat?	The Bill will provide the framework for habitat creation and allow support to be provided for it.	No immediate negative impacts arising as Bill concerns primary legislation.	Changes to land use have the potential for negative impacts if not managed correctly. Any land use changes would be subject to EIA assessments in the usual way to ensure biodiversity at each site is considered. Future support needs to ensure new habitats are created in the most appropriate locations.
14 Will the proposal have any negative impacts on habitats or species?	The Bill is intended to enable positive impacts on habitats and species either directly or indirectly (e.g. improved air/water quality)	No immediate negative impacts arising as Bill concerns primary legislation.	As per question 13.

15 Has all legislation regarding the pressures on species and habitats been complied with?	<p>Yes. The Bill intends to build upon existing legislation and reduce pressures on species and habitats.</p>	<p>n/a</p>	<p>Any future scheme under the Bill, including the SFS, will need to demonstrate compliance with this legislation.</p>
16 How will any negative impacts be mitigated?	<p>SLM introduces a whole-system approach to a resilient agriculture sector. The SLM objectives must be considered when developing future support and regulation. This will help maximise outcomes by encouraging actions which deliver multiple co-benefits.</p>	<p>No immediate negative impacts arising as Bill concerns primary legislation.</p>	<p>The proposed SFS will need to ensure the right action is taken in the right location across Wales to minimise potential negative impacts and maximise benefits. NRW's Area Statements and identifying local opportunities for action and collaboration will be important for this.</p>

G. SOCIO-ECONOMIC DUTY ASSESSMENT

What evidence has been considered to understand how the proposal contributes to inequalities of outcome experience as a result of socio-economic disadvantage?

Socio-economic disadvantage means living in less favourable social and economic circumstances than others in the same society, and encompasses a variety of factors. These include income and wealth, but also deprivation in relation to factors such as work, health, and the physical environment.

Farmers

The National Statistics Socio-economic classification (NS-SEC) is a system which uses occupation and employment relations to group individuals into socio-economic groups. It uses the Standard Occupation Classification (SOC) codes and the following categories describing employment relations:

1. Employers – large organisations;
2. Employers – small organisations;
3. Self-employed – no employees;
4. Managers – large organisations;
5. Managers – small organisations;
6. Supervisors;
7. Other employees.

The resulting NS-SEC structure is as follows:

1. Higher managerial, administrative and professional occupations
 - 1.1. Large employers and higher managerial and administrative occupations
 - 1.2. Higher professional occupations
2. Lower managerial, administrative and professional occupations
3. Intermediate occupations
4. Small employers and own account workers
5. Lower supervisory and technical occupations
6. Semi-routine occupations
7. Routine occupations
8. Never worked and long-term unemployed

While the classification itself is reasonably simple and does not necessarily indicate socio-economic deprivation, it is useful in that NS-SEC has been shown to be indicative of peoples' life experiences, behaviours and outcomes. For example, data from the Office for National Statistics

(ONS) shows that NS-SEC is a reasonable predictor of life expectancy²⁴⁰, maternal age²⁴¹, marital status of new parents, and smoking prevalence²⁴². Those in a higher socio-economic category typically live longer and are less likely to smoke, with women giving birth later into adulthood once married. Those in a lower socio-economic category are more likely to experience the reverse, with experiences, behaviours and outcomes that are considered to be less favourable and detrimental to overall health and wellbeing.

Furthermore, the NS-SEC is indicative of employment characteristics, such as “...*remuneration (hourly or weekly wages versus monthly or annual salaries, payments for overtime, whether on an incremental pay scheme), job prospects (opportunities for promotion and notice period) and work autonomy (deciding the pace, the timing and/or the planning of tasks)*.”²⁴³ Those in a lower socio-economic category are more likely to experience less favourable employment conditions, and there is evidence showing that this has health impacts as well as impacts on income and wealth.

Nonetheless, it is important to note that the NS-SEC does not contain information on level or nature of earnings, hours worked, contract type (if an employee) or education level.

Farmers in Wales are typically self-employed with no employees, or employ a small number of staff, and therefore fall into category 4 in the NS-SEC system. Other farm workers may be classed in categories 4, 5, 6, or 7 depending on their role.

There is, however, a wide variety of experience among farmers with regard to income and wealth, which will impact standard of living and outcomes. In the financial year 2019-20, average farm business income^{244,245} for all farms in Wales was £26,200, but there was substantial variation by farm type. The average farm business income for dairy farms was £50,700, the average for cattle & sheep LFA (Less Favoured Areas) farms was £22,600, and the average for cattle & sheep (lowland) farms was £16,600. While dairy farms have experienced higher average farm business income than other farm types over the last decade, they also experience year-on-year volatility, which leads to uncertainty for farmers.

²⁴⁰<https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/lifeexpectancies/datasets/onslongitudinalstudybasedestimatesoflifeexpectancybythenationalstatisticssocioeconomicclassificationnssecenglandandwales>

²⁴¹

<https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/livebirths/datasets/birthsbyparentscharacteristics>

²⁴²<https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/drugusealcoholandsmoking/adhocs/005387smokingbyssec>

²⁴³ https://www.researchgate.net/publication/12406395_The_new_UK_National_Statistics_Socio-Economic_Classification_NS-SEC_Investigating_social_class_differences_in_self-reported_health_status

²⁴⁴ <https://gov.wales/sites/default/files/statistics-and-research/2021-03/farm-incomes-april-2019-march-2020-914.pdf>

²⁴⁵ Farm business income represents the financial return to all unpaid workers (such as farmers, their partners, other family workers etc.) and is comparable to net profit from agricultural activities. It includes income from basic payment schemes and agri-environment payment schemes.

There is a considerable range of farm business income levels in Wales. Some farms have an income of over £75,000, while just under a fifth of Welsh farms have a negative farm business income. Dairy farms have the highest proportion of farms in the highest income bracket, while DA (Disadvantaged Area) sheep/beef farms have the highest proportion of farms with a negative income (almost one third of farms).

The majority (68%) of respondents to a 2021 survey of Small and Very Small farms in Wales²⁴⁶ reported that at least one person in the household was engaged in off-farm employment or self-employment in order to supplement household income. In addition, almost half (47%) of respondents reported running other, non-agricultural activities from their holding. By far the most common activity was provision of tourism accommodation, such as holiday lets, bed and breakfast, camping, and glamping. Other sources of income included contracting work, production of renewable energy and equine activities. Many farming households in the study also reported that at present, direct payments from the Basic Payment Scheme were an essential part of their income, with Small farms being more likely to report this (69% compared with 45% for Very Small farms).

It is evident that despite being in the middle of the NS-SEC classification structure, some farmers face high levels of pressure on their farm business income, and in turn their household income, which may lead to material deprivation. This will inevitably have an impact on their quality of life. Public Health Wales also cite low levels of income and the uncertainty surrounding the financial viability of the farming sector as a key challenge in relation to the mental health of farmers²⁴⁷.

The Bill sets Sustainable Land Management (SLM) as the future policy framework for agriculture in Wales and requires that Ministers consider how they best achieve the objectives when exercising powers under the Bill.

The delivery of these objectives is intended to positively impact the socio-economic circumstances of farms and rural communities. This underpinned by the requirement that the objectives should be delivered in a way which:

- a) meets the needs of the present without compromising the ability of future generations to meet their own needs, and
- b) contributes to achieving the well-being goals in section 4 of the Well-being of Future Generations (Wales) Act 2015.

The powers for future support will enable Ministers to directly support action under the purposes, e.g. through the proposed Sustainable Farming Scheme. The powers for future support are expected to impact farmers' socio-economic circumstances in the following key ways:

²⁴⁶ <https://gov.wales/sites/default/files/publications/2021-08/understanding-farmer-motivations-very-small-small-farms-full-report.pdf>

²⁴⁷ <https://phw.nhs.wales/services-and-teams/knowledge-directorate/research-and-evaluation/publications/supporting-farming-communities-at-times-of-uncertainty/>

1. Ministers will have powers to provide support (financial or otherwise) for the delivery of the outcomes we are seeking. This, as through the proposed Sustainable Farming Scheme (SFS), would provide participating farmers with an income stream which is stable, and not affected by factors such as market volatility.
2. Specifically, support can be given under the purpose to improve the resilience of agricultural businesses, in line with the SLM objectives. This contributes to reducing disadvantage in the short term and provides protection against future shocks or sources of disadvantage.
3. Many of the purposes for support can be achieved in ways which offer a financial benefit for the farm business. For example, nutrient management planning supports improved air and water quality but also reduces input costs through reduced fertiliser use. Improved energy efficiency can lead to cost savings, while the production of renewable energy may provide income for the farm if they are able to sell energy they don't use.

The transition between the current system of support and future schemes has the potential to have negative socio-economic effects. The Bill will provide Ministers with the powers to implement a managed transition to the new system, to ensure there is no sudden cessation in funding for any farmer, and mitigate potential negative impacts. We will be consulting on our approach to transition in 2023.

Rural communities

While the biggest impacts of the Bill will be felt by farmers, we recognise the key economic, social, and cultural role that agriculture plays in rural Wales, and as such, the Bill is expected to have an impact on rural communities more generally.

Socio-economic disadvantage can lead to inequality of outcome in areas such as education, health, personal security and living standards. The Welsh Index of Multiple Deprivation (WIMD)²⁴⁸ provides a suite of indicators relating to factors which are linked to deprivation. In general, the picture for households living in rural areas is mixed:

- **Income:** There is no clear trend with regard to Income deprivation in rural areas. Affluent areas in cities and towns tend have the lowest levels of deprivation while the least affluent areas in cities and towns tend to have the highest levels of deprivation. Rural areas fall in between these two extremes.
- **Employment:** Similarly to the Income domain, the extremes of Employment deprivation occur in cities and towns, while rural areas fall on a spectrum between the two.
- **Health:** Rural areas have moderate to good outcomes across all health indicators in the WIMD with no obvious pattern; the most severe health deprivation occurs in urban areas.
- **Education:** The picture for Education in rural areas is very similar to that of Health, with moderate to good outcomes across all Education indicators and no clear pattern.
- **Access to services:** This is the primary domain in which rural areas consistently show high levels of deprivation. For some residents, the distance to services may be manageable and accepted as a sacrifice worth making to obtain other lifestyle benefits

²⁴⁸ <https://gov.wales/welsh-index-multiple-deprivation>

associated with rural areas. For others, particularly those who are older or disabled, difficulty accessing services may be especially challenging and directly contribute to a poorer quality of life.

- **Housing:** Rural areas do not generally have high numbers of people living in housing that is overcrowded or in a state of disrepair, however, people in rural areas are more likely to live in housing that is of poor quality or contains serious hazards.
- **Physical Environment:** Rural areas tend to score poorly in relation to access to public green space, but have high 'Ambient Green Space' scores due to the inherently green nature of the rural environment in Wales. This is in spite of the fact that the WIMD measure includes public rights of way in the countryside²⁴⁹, although rural households may not have any of these within a sufficiently accessible distance²⁵⁰. Data from the ONS²⁵¹ shows that households in rural areas are, however, more likely to have a garden and that gardens in rural areas are, on average, much larger than those in urban areas. As such, it may be the case that a lack of access to a public green space is not as big of an issue as it would be for those in urban environments. Pollution levels are most problematic in urban environments rather than rural areas, while the flooding risk varies considerably based on other factors.
- **Community Safety:** Rural areas tend to have lower levels of crime and anti-social behaviour than more urban areas, however, it is important to note that the nature and impact of crime and anti-social behaviour in rural areas can be very different from urban areas.

One way in which the Bill could impact on the WIMD domains in rural areas is through enhancing access to the countryside. Under the purposes for support future schemes, e.g. the proposed SFS, the Welsh Government will be able to support on-farm action to maintain and enhance public access to and engagement with the countryside and historic environment. Measures that farmers would be able to take to deliver this purpose include upgrading and enhancing existing paths, establishing new access, and hosting educational visits. Enhanced access to the countryside will be of benefit to those who live locally, but also to those who travel from further afield to enjoy the natural environment.

The domains of Health and Education could also see a positive impact as a result of the Bill. The Bill lays out a list of purposes for future support to help meet its strategic objectives; a number of these purposes for support, such as cleaner air, cleaner water, and higher animal health, will have a positive impact on human health. The Bill sets engagement with the countryside and cultural resources as one of the strategic objectives, which will lead to opportunities for people,

²⁴⁹ For further details, please refer to the Welsh Index of Multiple Deprivation (WIMD) 2019 Technical Report (<https://gov.wales/sites/default/files/statistics-and-research/2020-02/welsh-index-multiple-deprivation-2019-technical-report.pdf>)

²⁵⁰ 5 minute walk or 300m distance

²⁵¹ <https://www.ons.gov.uk/economy/environmentalaccounts/articles/oneineightbritishhouseholdshasnogarden/2020-05-14>

particularly children and young people, to participate in educational activities concerning agriculture in Wales.

The Bill has also been designed to support thriving rural communities more broadly, with helping rural communities to thrive and strengthening links between agricultural businesses and their communities set as a purpose for support. Farms provide business to a variety of enterprises in their local economies, and so the Bill and proposed Sustainable Farming Scheme are expected to positively impact rural economies, with potential for a positive impact on income and employment. In turn, sustainability of rural communities will contribute towards positive benefits in relation to social capital, culture, and the Welsh language.

What information has been gained through engagement with those effected by the proposal/decision and specifically those who suffer socio-economic disadvantage?

We have conducted three consultations so far, *Brexit and our Land*, *Sustainable Farming and our Land* and the *Agriculture White Paper*. We received many responses from individual farmers in Wales as well as numerous organisations that represent them. *Brexit and our Land* received 521 substantive responses from individuals and organisations in farming, *Sustainable Farming and Our Land* received 198 and the *Agriculture White paper* received 30; though it is worth noting that not all respondents provided information on industry background and these figures may be an undercount. We have undertaken two phases of co-design in order to allow farmers – those most affected by the Bill and future Sustainable Farming Scheme – to help shape the future of farming policy in Wales. The co-design project involved participants of different age, farm type, sector, tenure, and involvement with the Welsh Government schemes.

We have attended in-person events where possible, such as the Royal Welsh Agricultural Society Fairs. We continue to meet regularly with farmers, academics, and other experts as we consider the details of the proposed SFS. We will be consulting on final proposals for the SFS in 2023.

Have protected characteristics been considered?

Please refer to the Equality Impact Assessment for more details on how the Bill will impact those with protected characteristics.

Have communities of interest and places of interest been considered?

The primary communities of interest with regard to the Bill are the agricultural community and the Welsh language community. Given the Bill concerns the agricultural industry, the impacts on those in the agricultural community have been considered in detail throughout the impact assessment. Impacts on the Welsh language, those who speak it and those who are learning it, have been considered in the Welsh Language Impact Assessment.

In addition, the shift in agricultural policy towards SLM means that environmental organisations represent another substantial community of interest. Such organisations have been active in responding to our consultations; *Brexit and our Land* received 160 substantive responses from individuals and organisations with environmental interests, *Sustainable Farming and Our Land* received 32 and the *Agriculture White paper* received 27. The Bill is explicitly designed to

generate positive outcomes for the mitigation of climate change and the decline in biodiversity. A full Biodiversity Impact Assessment can be found in Annex F, while Section 5 of this document deals with Environmental Wellbeing.

The primary communities of place are the rural communities of Wales more generally. The impacts on those living in Rural Areas are detailed in the Rural Proofing Impact Assessment, with additional discussion in the Equality Impact Assessment, as demographics in rural communities tend to differ from those in urban environments.

What information has been considered regarding future trends?

The Welsh Government declared a climate emergency in 2019 and a nature emergency in 2021. The *Inequality in a Future Wales: Areas for action in work, climate and demographic change* report²⁵² emphasises the link between climate change and inequality, noting that the poorest and most marginalised populations are expected to be the most impacted by climate change. With this in mind, ensuring that legislation in Wales contributes towards addressing the Climate and Nature Emergencies will have an important positive impact on those experiencing socio-economic disadvantage in our society. Households experiencing deprivation are likely to find it more difficult to be resilient to the impacts of climate change in the future, for example, being unable to afford appropriate modifications to their home or move away from an area that is at risk of flooding. Individuals in health deprivation are most at risk from poor quality air.

In their report, *Rising to the Triple Challenge of Brexit, COVID-19 and Climate Change for health, well-being and equity in Wales*, Public Health Wales (PHW) note that farmers and agricultural workers are among those whose vocation will be most affected by climate change. It is therefore important to produce food and manage land in a way that contributes towards the mitigation of climate change to ensure the viability of farms for the farmers of the future, and the security of food for the nation. The report also identifies rural communities as being particularly vulnerable to the ‘triple challenge’, and the Bill is designed to support the sustainability of rural Wales for current and future generations.

The Bill has four objectives, and Welsh Ministers must consider how best to contribute to achieving all of them so far as consistent with the proper exercise of the function. Strategic objectives concerning the mitigation and adaptation of climate change, the maintenance and enhancement of ecosystems, and the conservation, enhancement and promotion of the countryside and cultural resources and sustaining, promoting, and facilitating the use of the Welsh language are to be achieved alongside the first strategic objective, which is the sustainable production of food and other goods. The Bill is therefore designed to address the future trends of the climate and nature emergency and the purposes for future support, e.g. the proposed SFS, will allow for the targeting of specific issues such as air pollution, water pollution, and flood risk. For further details of how we expect the Bill to impact on climate change and biodiversity please see the Environmental Wellbeing and Biodiversity Impact Assessments.

²⁵² https://www.futuregenerations.wales/wp-content/uploads/2021/11/FGCW_Equalities-Report_proof_08.pdf

What data has been considered (National and local)

We have considered a wide variety of data sources and other sources of evidence throughout our impact assessments. These include data such as the Welsh Index of Multiple Deprivation, Census and survey data from the Office for National Statistics, academic literature, and research produced by organisations with an interest in agriculture. In combination, these different sources allow us to assess the potential impacts of the Bill in relation to multiple factors of relevance with regard to socio-economic status.

How could the proposal potentially further exacerbate inequality of outcome experienced as a result of socio-economic disadvantage?

It is not expected that the Bill will impact anyone in a manner that exacerbates inequality of outcome due to socio-economic disadvantage.

Nonetheless, we recognise that the Bill represents a substantial change in agricultural policy in Wales, and this will need to be considered as proposals for the SFS are developed so as to minimise the risk of anyone being adversely affected, particularly with regard to those who already experience socio-economic disadvantage. In order to mitigate against adverse impacts, there will be a transition payment during a transition period between the current Basic Payment Scheme and the future Sustainable Farming Scheme. This will mean that no farmer will experience a sudden cessation of the payments they receive, regardless of whether or not they choose to enter the new scheme.

We will be exploring the potential for capping payments as we design the future SFS, and how best this could be implemented, to ensure that farmers at risk of inequality of outcome are not further disadvantaged.

For further detail on how we expect the Bill to impact on different demographic groups, including those with protected characteristics, please refer to the Equality Impact Assessment.

How could the decision potentially improve outcomes for those who experience socio-economic disadvantage?

The legislative framework of the Bill, and the purposes for future support, are designed to align with existing legislation and the Welsh Government's commitments in regard to the climate and nature emergency, and the wellbeing of future generations.

The first way in which the Bill will support improved outcomes for those who experience socio-economic disadvantage is improved health outcomes. Cleaner air and water in particular will reduce the risks to health, particularly among more vulnerable groups. In addition, enhanced access to the countryside will provide more opportunities for recreation and exercise, benefiting

both physical and mental health. Further details on the health impacts of the Bill are provided in Section 2 of this document.

The second way that the Bill will support those experiencing socio-economic disadvantage is through reduced flood and drought risk. People experiencing deprivation typically have reduced agency to change their situation, for example, by moving to a different property if their home is in an area at high risk of flooding. As such, setting Sustainable Land Management as the future framework for farming in Wales will be of particular benefit to those experiencing disadvantage due to the positive environmental outcomes the Bill and proposed SFS are designed to enable.

More specifically there are a number of ways in which the Bill is designed to benefit farmers, improving outcomes for those who experience socio-economic disadvantage.

The Bill gives Ministers in Wales the power to provide support to farmers for the implementation of Sustainable Land Management practices and deliver the outcomes that Welsh Government is aiming to achieve. Participation in the proposed SFS will provide farmers with a stable income stream, providing certainty in regard to their own financial situation and also their ability to employ workers and contractors. This stability will provide economic benefits, which in turn may have mental health benefits through the alleviation of uncertainty and financial stress. It is also expected to have positive social benefits through the continued membership of farmers and their families in their communities.

Sustainable Land Management is a holistic framework which is designed to be beneficial for both the environment and farmers. As we design the proposed SFS, we are exploring a number of SLM actions which will help farmers to reduce their costs, having a positive impact on farmers' incomes. SLM is also designed to improve resilience against the negative impacts of climate change as well to directly mitigate against it, which will help farm businesses to prepare for the future and to ensure that the farm remains viable for future generations.

How will you monitor the impact of this decision? (Please consider wider outcomes)

The Bill provides the powers for monitoring and evaluation of Sustainable Land Management as a whole, and of futures schemes under the purposes for support. A future monitoring and evaluation strategy will detail how Welsh Government intends to assess the delivery of environmental, economic, social, and cultural outcomes.