

Interview with Redacted – Section 40, BBC Wales

Location: Oriel, Senedd

Time: 1pm (for 10 minutes)

Press Officer attending : Redacted – Section 40

Background: BBC are preparing a piece looking at the meetings farmers are holding to discuss potential protests. They'd like to ask what our response is to these, what's the government's message to farmers. They have also noted the Senedd's economy committee report scrutinising the Welsh Government's draft budget which says members are concerned about the cumulative impact of budget reductions and the potential of both farmers and businesses suffering 'death by 1,000 cuts'

Sustainable Farming Scheme Key Brief

Introduction and Roadshow

- The Sustainable Farming Scheme aims to secure food production systems, keep farmers farming the land, safeguard the environment, and address the urgent call of the climate and nature emergency.
- The Sustainable Farming Scheme has been designed to best contribute to the four Sustainable Land Management objectives included in the Agriculture (Wales) Act – passed unanimously by the Senedd. These recognise the positive benefits which come from generations of farming traditions in Wales and the need to respond to some immediate challenges such as climate change.
- We know farmers are anxious about change. This is why officials are currently running a series of farmer roadshows around Wales raising awareness of the consultation and speaking to farmers from all sectors and all areas. *(Note; 10 roadshows are taking place. They started 17 January – the final roadshow is in Machynlleth on 14 February).* We have had nearly 2000 farmers attend and whilst there have been lots of questions, the events have been well received.
- I will also soon be meeting with representatives from the Farming Unions to gain direct feedback on the consultation events which they have been holding with their members.
- If pushed – the roadshow presentations only cover a selection of the Universal Actions due to time restrictions but officials have responded to questions on all of the Actions. And outside of the presentations, officials have been available to talk to farmers about all aspects of the scheme.

Scheme Design

- We have developed a Scheme which is designed to support all farmers in Wales through a Universal Baseline Payment, based on the completion of a set of

Universal Actions. These Actions will be familiar to farmers in Wales, whether beef, dairy, arable, upland, lowland, extensive or intensive. They are actions many of them take on a day to day basis.

- The Scheme has been designed to support those farming the land, active farmers.
- We propose to remove restrictions such as entitlements. This makes it easy for existing farmers and those new to the industry, such as young farmers, to be able to enter the scheme and gain support.
- The Scheme is designed to recognise and support these Actions through advice and a financial payment, therefore improving the resilience and efficiency of farms in Wales.
- Many farmers are already undertaking some of the Universal Actions such as benchmarking and soil testing. We are proposing to recognise this, where possible, and not ask farmers to duplicate work and complete a new set of actions for us.
- We will also be introducing Actions which allows those who want to go further to do so through Optional and Collaborative Actions which will complement the Universal Scheme through additional payments. These will be progressively introduced from 2025.

Climate Change and Trees

- Food production is vital, but the climate emergency is the main risk to food production over the long term, and our natural ecosystems are the best defence we have in the adaptation and mitigation of climate change. We cannot keep having separate conversations about food versus the environment – they are dependent on each other.
- We have to start taking steps now to reduce the impacts of climate change over the coming decades. We want our future generations to be producing top quality food in Wales, but they will be farming in very different conditions to today.
- The Scheme has been designed to help farmers respond to these challenges and help us to meet our commitments to the people of Wales.
- We know that the 10% tree cover requirement has been the most controversial element of the proposals. But trees are only one part of the proposals, designed to sequester more carbon, and we recognise the importance of maintaining carbon stocks in soils and grassland.
- We want to see trees built into the farming system and we continue to explore where additional tree planting can be an asset to the farm such as shelterbelts against increasingly erratic weather, so that it is not a choice of trees or producing food. We will provide financial support for those who may need to plant

additional trees, and recognise that this can come with restrictions. We continue to review these consequences, such as changes in land value to see what can be done to remove or mitigate them.

- Farmers have told us where they think tree planting is not appropriate, for example on tenanted land where the landlord has retained responsibility for them. We have listened to this and have now removed these areas in our proposals.
- The 10% tree cover requirement will not be introduced until 2030, so those who may need to consider further action have time to do so. We will not apply any retrospective penalty on SFS payments if farmers have not met the requirement by 2030.

Consultation and Payment

- The SFS consultation closes 7 March.
- It is a genuine consultation. We will listen to what farmers have to say about what works well in the scheme and what might need changing. I know officials are already considering changes, for example around the inclusion of stone walls and changes to the Continuous Personal Development (CPD) online training. This has come from listening to the views of farmers at the roadshows.
- I realise farmers are frustrated that we have not publish the payment rates, but we can only do this once the scheme has been finalised. The consultation sets out how we intend to incorporate the costs and time of farmers to complete the Universal Actions in determining the payment rate.
- I am also committed to recognise the wider benefits which come from farming, such as our language, culture the landscape and natural environment through a social value payment (on top of costs incurred/income foregone). Determining how to do this is not easy as it is not common practice, but we will continue to work with our Farming Unions and other stakeholders to find the appropriate mechanisms to achieve this.
- In the meantime, the Stability Payment farmers will be able to receive during the Transition Period (2025-2029) will ensure the level of support from the Universal scheme is greater than should they choose to remain in BPS.
- The Scheme has been redesigned so that none of the Universal Actions need to be completed before entering the scheme. Farmers will have time to consider if this voluntary scheme is the right thing for them once we have finalised the scheme details and published the payment rates. This will be later this year, in the summer.
- The economic assessment published alongside the consultation is an important piece of work which helped inform our consultation, however it is not an

assessment of the current consultation. It has helped to identify the potential risks of the scheme, such as a potential drop in agricultural output which we are addressing. For example the assessment assumed grazing restrictions on woodland and habitat, which we now propose to remove.

- This current consultation is the result of two previous consultations, two phases of co-design and a Scheme Outline published in 2022. We have refined these proposals thanks to the input of farmers.

Media Line on Scrutiny Committee report on budget

- This is the starkest and most painful financial situation faced since the start of devolution.
- We have been clear going into our draft Budget preparations that, because our Budget is now worth £1.3bn less in real terms than when it was set in 2021, incredibly difficult decisions have had to be taken.
- We will take the next few weeks to consider the findings of this and other Scrutiny Committee reports before bringing publishing our final Budget on 27th February.

Background

Redacted – not in scope for relating to misinformation, public messaging strategy, or reputational risk