



Paul Davies MS
Chair
Economy, Trade and Rural Affairs Committee

7 December 2023

Dear Paul

Thank you for your letter of 10 November 2023, regarding the Habitat Wales Scheme.

You acknowledge the extraordinary pressures on budgets we are currently experiencing. As the Finance Minister reported on 17 October, this is caused by the triple impact of inflation, more than a decade of austerity on public services and the ongoing consequences of leaving the EU which has seen an erosion in overall funding.

The Habitat Wales Scheme was introduced to ensure there is no gap in environmental support in 2024 in the lead up to the introduction of the Sustainable Farming Scheme (SFS) in 2025. Maintaining environmental support during this period was a request made by various stakeholders, including the Farming Unions and the independent Climate Change Committee.

The Welsh Government could not continue offering support to current Glastir participants alone with the closure of the EU Rural Development Programme on 31 December 2023. As well as continuing the work carried out in Glastir to protect habitats, the Habitat Wales Scheme also provides an opportunity for the thousands of other farmers who have not been able to apply to an agri-environment scheme since 2017.

The payment rates set for the Habitat Wales Scheme reflect the costs which will be incurred by farmers as they manage habitat land in line with the requirements of the Habitat Wales Scheme contract. In establishing the payment rates, we revised assumptions on the impact of management requirements on habitat land within our calculations. We have also reduced the number of management options to simplify the application process and management requirements. Although I could not confirm the available budget at the time the window opened, this did not impact on payment rate per ha offered or how the payment rate was calculated.

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

The application window for the scheme closed on 10 November, 3,254 Expressions of Interest (EoIs) were received. This number is broken down as follows:

- **166** from existing Grazing Associations for support on common land. (92.79% of existing Glastir Commons contract holders submitted an EoI.)
- **1,572** from individual farmers with an existing Glastir Advanced contract. (76.8% of farmers with a Glastir Advanced contract submitted an EoI.)
- **1,516** from individual farmers without an existing Glastir Advanced contract. (49% of EoIs submitted by individual farmers.)

Applications are currently undergoing management checks. Once this is complete and contracts issued, I will be able to confirm the number of participants and the amount of land supported by the Scheme.

The Habitat Wales Scheme offers a 12 month contract and the established payment rate and methodology for setting the rates does not set a precedent for SFS. I have shared details of how the payment rates were calculated with those that have requested the information. The payment rates were not subject to consultation, however, the methodology for establishing the rates were independently verified, as is usual practice, when we set payment rates for agricultural support schemes.

As the scheme application window opened, there were issues with pre-populated habitat maps and habitat classifications presented to applicants. Habitat information was pre-populated on application forms and presented to all farmers in Wales on an individual field level. As you stated in your letter, these were teething issues, which were resolved, and solutions communicated to potential applicants.

Glastir Organic will come to an end in December 2023 as the existing contract expires, however, farmers in Wales, including organic farmers, have access to a range of support schemes, in addition, they were well placed to apply for the Habitat Wales Scheme. In plenary on 8 November, I confirmed my intention to offer support for the organic sector in 2024, subject to budget availability, and I will confirm details as soon as possible.

I am pleased with the number of applications received to the Habitat Wales Scheme, especially from those farmers not currently participating in an agri-environmental scheme. Combined with our domestic rural schemes, this will enable them to contribute towards our nature and climate change commitments and prepare for entry into SFS. The development and delivery of the scheme has given us valuable lessons which we will use as we finalise the SFS.

Yours sincerely,



Lesley Griffiths AS/MS
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