



Evidence paper for Cabinet Secretary for Climate Change and Rural Affairs for General Scrutiny and a session on the Sustainable Farming Scheme at ETRA Committee

13/06/24

Information provided to aid the Committee in advance of the Minister's attendance for General Scrutiny on 13 June.

Contents

1.Sustainable Farming Scheme (SFS)	3
2.Animal Welfare	5
3.Bovine TB	7
4.Control of Agricultural Pollution Regulations.....	10
5.Food	12
6.Habitat Wales Scheme	14
7.Rural Development Programme (RDP)	16

1. Sustainable Farming Scheme (SFS)

1. On 14 May I announced the introduction of a Sustainable Farming Scheme (SFS) Preparatory Phase of activity in 2025 with the proposed SFS Transition Period starting from 2026.
2. We intend to use this Preparatory Phase wisely. It is an opportunity to raise awareness of the benefits of the Scheme Actions. This will help everyone to enter the scheme as easily as possible and ensure the scheme provides maximum benefits for Welsh farmers.
3. This new timeframe will allow me to have the conversations and discussions we need to have with the members of the Ministerial Roundtable. I intend to work at pace to identify areas of agreement and place the emphasis on matters where more work is required.
4. Carbon sequestration actions in the Scheme is an example of an area which will receive further consideration. I expect the group of partners undertaking this work with us to focus on the evidence associated with actions to support additional carbon sequestration and the scale of opportunity in Wales.
5. We will also use this time to undertake a data confirmation exercise which, with feedback from farmers, will provide an accurate picture of the habitat and tree cover across all farms. Under the Habitat Wales Scheme, we saw an increase in the area of habitat land under management this year. I want to build on this success and so I am exploring giving more farmers the opportunity to access support in 2025.
6. During the preparatory phase, we will also work with stakeholders to identify and develop a set of proposals for further Optional and Collaborative Actions, with the aim of introducing these as soon as possible.
7. The analysis of the consultation responses is still ongoing. I will not make any decisions on the scheme until we have carefully considered all of the responses. However, it is clear from feedback, to date, that some changes to the proposal are needed. I will be publishing the consultation analysis along with a Government response in June.
8. Introducing the Scheme in 2026, following a Preparatory Phase, is not a lowering of ambition on climate or nature commitments. There are challenges to resolve before farmers feel confident in the scheme. There are no benefits from introducing a scheme too soon if farmers are unwilling to join.

9. To make the transition easier for farmers, we had already proposed a phased introduction by focusing on the Universal Actions when the scheme starts; this preparatory phase is designed as an additional step to enable that smooth transition.

10. Our ambition for the Sustainable Farming Scheme to support a sustainable, productive agricultural industry in Wales has not changed. Our future farm support needs to deliver multiple outcomes for all of Wales, but must have farmers at the heart of it.

11. This has food production and continued high standards of animal health and welfare as the cornerstone, along with improving environmental performance, responding to the climate emergency and enhancing on-farm biodiversity. These cannot be tackled in isolation. I am committed to keep listening to and working with farmers, as well as all stakeholders to develop a Scheme that will help deliver against our ambition for Wales to be a world leader in sustainable farming.

2. Animal Welfare

1. **Animal Welfare Plan.** We continue to progress our ambitious 5-Year Animal Welfare Plan, including Programme for Government commitments. The Plan will deliver real and lasting improvements to the lives of farmed, companion and other kept animals across Wales and includes a timetable for delivery. Our latest progress review was published earlier this year.
2. **The Mandatory Use of CCTV in Slaughterhouses (Wales) Regulations 2024** were approved by the Senedd on 21 May. The Regulations require CCTV to be installed in all slaughterhouses in areas where live animals are unloaded, kept, handled, stunned, and killed. This is a Programme for Government commitment. The requirements to install and operate a CCTV system and keep CCTV footage and information came into force on 1 June. The offences and powers to inspect, seize and enforce the Regulations will come into force on 1 December. This provides a six-month period where the FSA will support slaughterhouse operators to ensure they are compliant with the regulations, ahead of them being enforced.
3. **The Animal Welfare (Livestock Exports) Act 2024** achieved Royal Assent on 20 May. This UK Government Act prohibits the export of live cattle, sheep, goats, pigs and equines for slaughter and fattening from GB. You made the Animal Welfare (Livestock Exports) Act 2024 (Commencement) (Wales) Regulations 2024 on 22 May. You wrote on 21 May to inform the ETRA Committee of your intention to consent to the UK Government making The Animal Welfare (Livestock Exports) Enforcement Regulations 2024.
4. The Regulations establish enforcement powers, offences, and penalties relating to the prohibition on live export. The anticipated laying date of the Regulations before the UK Parliament, using the draft affirmative procedure, was 5 June. The laying date is now uncertain.
5. **Responsible Dog Breeding and Ownership.** Officials in the Animal Welfare team continue to work closely with third sector organisations, police forces and Local Authorities, and those campaigning for both the welfare of dogs and the safety of the public, to promote responsible dog breeding & ownership in Wales.
6. Following a summit in October 2023, Welsh Government are running a series of events and workshops throughout 2024 to develop and deliver a strategy for its promotion and maintain momentum through collaborative working and engagement.
7. **Regulation of animal welfare.** Our consultation on the licensing of animal welfare establishments, activities, and exhibits closed in March. With over 1,100 responses submitted, officials are currently analysing evidence received and a summary of responses will be published later this year. Our

licensing and enforcement projects are driving significant change at dog breeding premises across Wales. The Welsh Government-funded Animal Licensing Wales Project has delivered training to 63 officers across 22 Local Authorities.

8. **Racing Greyhounds.** We are committed to ensuring the welfare of racing greyhounds in Wales is not compromised. Our consultation on the licensing of animal welfare establishments, activities, and exhibits covered a broad range of issues, including racing greyhounds, and sought evidence on the benefits and impacts of both legislating and banning greyhound racing in Wales. With analysis currently underway, we would not want to pre-empt its outcomes or indicate our next steps at this stage.
9. **The Dogs (Protection of Livestock) (Amendment) Bill.** This was a Presentation Bill put forward by the former UK Secretary of State, Therese Coffey. It received its second reading on 6 February and passed committee stage 24 April. You laid a Legislative Consent Memorandum on the Bill before the Senedd on 8 May. The Business Committee referred the LCM to the ETRA and LJC Committees with a reporting deadline of 5 July. Announcement of a 04 July General Election has regrettably led to the Bill's fall.
10. **Animal Welfare (Import of Dogs, Cats and Ferrets) Bill.** This was a Private Members Bill, sponsored by Selaine Saxby MP. It received its second reading on 15 March 2024 and Officials were awaiting confirmation of committee stage date with a commitment to join UK Government on this Bill. Announcement of a 04 July General Election has regrettably led to the Bill's fall.

3. Bovine TB

Technical Advisory Group (TAG) and Programme Board

1. The bovine TB Technical Advisory Group (TAG) members were appointed via the Welsh Government's public appointments process and announced in a Written Statement on Monday 15 April.
2. The TAG will play a crucial role in developing advice and shaping our TB policy. They are an independent expert group and bring a huge amount of expertise, knowledge and experience to advising us on the approaches, opportunities and challenges of eradicating TB in Wales. Members also have close links to farmers and the farming industry who are key to our partnership approach.
3. The TAG will meet quarterly and provide advice to Welsh Ministers through the forthcoming TB Programme Board. In the interim, until the Programme Board is established, advice will come via our Chief Veterinary Officer. Members of the TB Programme Board are currently being considered via the Welsh Government's public appointments process.
4. Directly appointed *ex officio* members representing the farming unions and others will ensure a strong voice for the industry on the Programme Board once established.
5. The TAG held its first meeting on 17 April. The Group agreed its Terms of Reference and considered its first priority, the on-farm slaughter of TB reactors.

On Farm Slaughter

6. We are aware of the devastation a TB breakdown brings to a farming family and business. In some cases, on farm slaughter is unavoidable if cattle cannot be transported to an abattoir, or if they are unfit for human consumption. However, removing TB infected cattle from the farm as soon as possible is a key element of our TB Eradication Programme to prevent further spread of disease.
7. The TAG met for the first time on Wednesday 17 April and it considered as its first priority the on-farm slaughter of TB reactors.
8. The TAG's review of on-farm slaughter was submitted to Chief Veterinary Officer and Cabinet Secretary who accepted all of the TAG's advice, which focussed on the aim of reducing over time the numbers of cattle slaughtered for TB disease control reasons on-farm in Wales.

9. A Written Statement has been published [Written Statement: Bovine TB Technical Advisory Group Review of Existing On-Farm Slaughter of TB Reactors Policy \(16 May 2024\)](#). | GOV.WALES. Officials continue to work at pace with APHA to implement the changes announced to the on-farm slaughter policy.
10. Farmers will be able to choose to delay the removal of a cow or heifer in the last 60 days of pregnancy and animals that have given birth in the previous 7 days, subject to biosecurity conditions to protect other cattle in the herd. There will also be some flexibility to isolate and delay removal if within a few days of the end of a medicine withdrawal period, on a case-by-case basis.

Pembrokeshire Project

11. A small sample of vets and farmers Pembrokeshire are enrolled in the project, empowering them to make informed decisions and show leadership in disease control.
12. A major cornerstone of the project is identifying residual disease risk in clear testing cattle alongside developing a pathway for mitigating risk from cattle-to-cattle transmission. Farmers and vets are collaborating to identify and slaughter high-risk animals on veterinary advice in an approach that is sustainable to the farm business, while also undertaking farms specific biosecurity measures.
13. As of March 2024, the project is signed up to its capacity of 15 farmers, as is generating wider interest beyond the project farms. Initial reports from the project team and the farmers and vets who are enrolled in the project are promising.
14. The Cabinet Secretary recently visited a participating farm to learn more about progress and listen to those directly involved.

Statistics

15. While statistics from across Wales as a whole show positive progress in tackling TB, with new herd incidents decreasing over the long-term, we recognise the situation varies across the different regions. This is why we are taking a targeted approach.
16. Statistical analyses published last year on badger control policy (BCP) areas in England found a 56% reduction in TB herd incidence over four years of culling, attributing impact to badger culling and additional cattle control measures. Despite these findings, the study acknowledges the challenge

in isolating the effects of badger culling from other cattle management practices.

17. Comparatively, Wales has seen a similar reduction in TB incidence to England over the period 2012-2023 without badger culling, relying on cattle control measures, with some localised targeted badger vaccination. Studies show cattle-to-cattle and badger-to-badger transmission are much more likely than badger-to-cattle and cattle-to-badger, indicating the biggest TB risk to a bovine animal is another bovine animal.

4. Control of Agricultural Pollution Regulations

Introduction

1. Agricultural pollution continues to affect the environment across the whole of Wales, which is detrimental to public health and biodiversity. The Water Resources (Control of Agricultural Pollution) (Wales) Regulations 2021 (the CoAP Regulations), which came into force on 1 April 2021, are based on long-standing good practice recommendations designed to prevent agricultural pollution. The CoAP Regulations included transitional provisions to provide time for farms to adopt the new requirements where needed. The CoAP Regulations will be implemented in full by 1 January 2025.

Purpose of the Regulations

2. The CoAP Regulations are designed to tackle the causes of agricultural pollution in Wales, to contribute to the delivery of a wide range of our international and domestic obligations. They support Wales' continued commitment to the United Nations Framework Convention on Climate Change, the Convention on Biological Diversity, the UN's Sustainable Development Goals and the Gothenburg Protocol. They will contribute to the delivery of the goals of the Well-being of Future Generations Act (Wales) 2015 and the aims of the Environment Act (Wales) 2016.
3. The CoAP Regulations recognise the limits of the global environment by promoting resource efficiency and protecting our heath and natural environment through healthy, functioning ecosystems that support ecological resilience. They will help farms to reduce harmful emissions and improve the management of our natural resources. They will support farms to tackle and reverse the damage to our natural resources identified in the State of Our Natural Resources Report (SoNaRR) for Wales 2020, including the negative impacts of agriculture on biodiversity.

Agricultural Pollution in Wales

4. Natural Resources Wales (NRW) records the number of substantiated agricultural pollution incidents occurring in Wales. In 2023, 151 agricultural pollution incidents were substantiated. The average number of annual pollution incidents as a result of agricultural activity over the last 10 years is 156 and the average occurring over the last 5 years is 157.
5. NRW is currently reviewing the status of waterbodies in Wales. The latest available data from 2021 confirms 140 waterbodies in Wales fail to achieve good status due to agriculture, with a further 232 probably related to

agriculture and 118 suspected as failing due to agriculture, indicating pollution from agriculture is the main cause of failure.

6. There are nine river Special Areas of Conservation in Wales – Cleddau, Eden, Gwyrfai, Teifi, Tywi, Glaslyn, Dee, Usk and Wye. These rivers support some of Wales' most special wildlife, including Atlantic salmon, freshwater pearl mussel, white-clawed crayfish and floating water-plantain. NRW's assessment of these rivers has identified phosphorus breaches are widespread within Welsh SAC rivers, with over 60% of these waterbodies exceeding phosphorous thresholds.
7. While varying from catchment to catchment, the largest proportion of the phosphorus originates from the rural land use sector. Rural land use is the leading contributor of phosphates in 6 of the 9 SAC rivers and in 4 of the 5 failing SAC rivers, and it accounts for 62% of phosphorus loading across all SAC rivers.
8. Welsh Government and NRW have established a Service Level Agreement for the enforcement of the CoAP Regulations, which will enhance NRW's ability to prevent pollution and take action where necessary to ensure compliance with the CoAP Regulations and prevent pollution.

4-Year Review

9. At least every four years, the Welsh Ministers must review the effectiveness of the measures imposed by the CoAP Regulations as a means of reducing or preventing water pollution from agricultural sources and if necessary, revise them. The review must take into account available scientific and technical data and regional environmental conditions. The Welsh Government has committed to the appointment of an independent external chair to oversee the review and an announcement will be made at the earliest opportunity.
10. The Welsh Government has initiated preparatory work for the 4-year review, which is to be completed before April 2025, and started to engage with stakeholders on elements of the review which are required by the Regulations or have previously been committed to by the Welsh Government. This will ensure the review progresses in the interim, without impact on the ability of the chair to carry out their role in full once appointed. This work includes engaging with stakeholders on the alternative measures proposals submitted under Regulation 45 of the CoAP Regulations and with Natural Resources Wales on scientific and technical evidence to support the review.

5. Food

1. On food, a key focus of mine will be join-up. Collaboration will be key to success. We are already seeing areas where emphasis on join-up is growing. The Future Generations Commissioner published his seven-year strategy for 2023-2030, *Cymru Can*. This aims to drive positive change with specific focus on food, with the Commissioner seeking to improve and monitor progress of our public services contribution to the food system. We have worked and will continue to work closely with the Future Generations Commissioner, and I want to see more collaboration of expertise, with interested and diverse parties joining together to challenge, influence and improve the food system and food security in Wales.
2. I will soon be publishing *Food Matters: Wales*. This will summarise and bring together all the major policies and activities relevant to food happening across government. My predecessor, the Minister for North Wales and Rural Affairs and Trefnydd recognised the importance of demonstrating the cross-government engagement, and established a cross portfolio Food Forum, comprising key officials across all departments of Welsh Government. Every food related policy should be developed and delivered in accordance with the sustainable development principle and the five ways of working.
3. Our Community Food Strategy (CFS) continues to develop, and we look to delivering this Programme for Government commitment by the end of 2024. To develop the strategy, we have conducted extensive research including surveys of both the public and community food stakeholders, individual and group meeting with stakeholders, site visits, systems mapping and focus groups. The findings of this research have helped us co-design the new strategy. Information about the development of the CFS is available on the Food & Drink Wales website, including survey results, to keep stakeholders informed. The strategy will be about invigorating and supporting grass roots food related initiatives to capitalise on and to sustain the evident energy and enthusiasm which exists throughout Wales in our communities. I want to harness this enthusiasm and work with stakeholders, across Government, the Senedd and the diverse range of interested organisations and individuals to continue to bolster our evidence on the most effective and efficient routes to take to encourage the production and supply of locally sourced food in Wales, as well as looking at action we can take on food security measure in Wales.
4. There has been much attention recently on food security and system resilience. These are complex and subtle matters which cannot be considered solely in Wales only perspective. Food supply chains are now fully integrated, across the UK with significant international trade. It is vital to understand the risks and to build resilience where it is practical to do so

within Wales, and I believe a focus on improving the co-ordination and leadership of grass roots activity, and more emphasis given to food in well-being planning by public bodies, are pragmatic policies we can pursue.

6.Habitat Wales Scheme

1. The Habitat Wales Scheme is an all-Wales agri-environment scheme supporting the active management of habitat land. It was introduced to offer support to farmers and land managers for habitat management activities, to bridge the period between the closure of former EU funded Glastir scheme contracts on 31 December 2023 and the introduction of the Sustainable Farming Scheme, the proposals for which incorporate support for similar activity.
2. A key aim of the scheme was to provide an opportunity for all eligible farmers in Wales to apply for support to protect habitat land and contribute to meeting our climate change and biodiversity commitments. The last opportunity for Welsh farmers to apply for such a scheme was in 2017.
3. As well as supporting habitats previously under management through Glastir contracts, we aimed to bring additional areas of semi-natural habitat into active management.
4. The scheme Expression of Interest (EoI) window opened 29 September 2023 and closed 10 November 2023.
5. A total of **3,254** EoIs were received.
6. **3166** grant awards were issued with a grant acceptance deadline of 18 March.
7. The key outcomes are summarised in the table below:

Total accepted HWS Grant Awards		2244
Of which:	In Glastir Advanced in 2023	1286
	Not in Glastir Advanced in 2023	804
	Commons	154
Total habitat area (ha)		341,794
Of which:	In Glastir Advanced in 2023 (ha)	202,822
	Not in Glastir Advanced in 2023 (ha)	30,479
	Commons (ha)	108,493
Total Sites of Special Scientific Interest (SSSI)*		358
Total SSSI area (ha)*		76,140

* All figures for SSSIs are included in values above.

8. The total number of contracts issued under the Habitat Wales Scheme (HWS), is slightly higher than those issued and accepted in 2023 under the predecessor Glastir scheme. Within this total, the number of individual farm businesses supported through HWS is 2090, compared with 2048 in Glastir Advanced 2023.
9. 94% of common land previously in Glastir has been maintained under management.
10. The total area of habitat land under management (common land and individual farmers) has increased from 326,220 ha to 341,794 ha.
11. The value of Habitat Wales Scheme awards is £16.11m with applicants claiming support through their SAF 2024.

7. Rural Development Programme (RDP)

1. All the available funding through the Rural Development Programme (RDP) 2014-2020 for Wales, more than £846 million, of which over £564 million was European Union (EU) funds, has been spent. This is subject to the submission of final accounts and any subsequent adjustments by the European Commission.
2. During the programme the Glastir agri environmental scheme budget of over £409 million was made available to farmers, land managers and foresters to support the Climate change and Biodiversity emergencies.
3. A £45 million investment was made to support the modernisation of the farming and forestry industries to increase their resilience and competitiveness. This resulted in over 4,000 jobs either being created or safeguarded through the RDP.
4. Much has been achieved against a backdrop of unprecedented challenges for farmers and rural communities. The ongoing impacts of our exit from the European Union, the Covid 19 pandemic, the war in Ukraine and the cost-of-living crisis continue to have a significant impact on people and businesses in Wales today.

Rural Investment Scheme (RIS) 2022-2024

5. In response to the ending of the EU Rural Development Programme (RDP), which closed on 31 December 2023 the previous Welsh Government announced a package of support worth over £200m over a three-year period to support the rural economy and our natural environment. The funding was aimed at supporting the farming, forestry, and food industries to meet the environmental challenges as part of the transitional phase to the new Sustainable Farming Scheme.

RIS Budget – 2024/25

6. The original RIS budget for 2024/25 was £148m. Welsh Government re-shaped their spending plans to invest more in the NHS and protect core local government funding for schools, and social care. This has meant the final RIS budget has been reduced to £97.64m.
7. As a result, the Rural Affairs portfolio are focused on the support available to prepare farmers and the supply chain for the transition to SFS.
8. Despite the difficult choices that have been made, the previous Minister for Rural Affairs, North Wales and Trefnydd ensured:
 - o A continuation of BPS at £238m.

- Contract offers were made to all eligible applicants to the Habitat Wales Scheme.
- An organic scheme was made available in 2024.
- Existing commitments made through rural schemes were honoured (aside from reductions to Farming Connect and the Sustainable Innovation Scheme).
- Protection of the animal health and welfare budget.

RIS Budget - 2025/26

9. Due to the uncertainty of the UK Government budget outcome, the RIS budget for 2025/26 is yet to be finalised.
10. We do not know what budget we will receive from the UK Government for farm funding in 2025/26. I appreciate that signalling our intention to support interventions carries a risk, but I am willing to take this risk to provide confidence to farmers of our ongoing commitment to the sector.
11. Welsh Government officials are currently preparing for different scenarios to ensure we maximise the budget we receive to support our farmers, their families, land managers and foresters.