

Explanatory Memorandum to the Agricultural Wages (Wales) Order 2019

This Explanatory Memorandum has been prepared by the Department for Environment, Energy and Rural Affairs and is laid before the National Assembly for Wales in conjunction with the above subordinate legislation and in accordance with Standing Order 27.1

Minister's Declaration

In my view, this Explanatory Memorandum gives a fair and reasonable view of the expected impact of the Agricultural Wages (Wales) Order 2019. I am satisfied the benefits justify the likely costs.

Lesley Griffiths AM

Minister for Environment, Energy and Rural Affairs

8 March 2019

1 Description

The Agricultural Wages (Wales) Order 2019 (“the 2019 Order”) makes provision about the minimum rates of remuneration and other terms and conditions of employment for agricultural workers. The 2019 Order revokes and replaces the Agricultural Wages (Wales) Order 2018 (“the 2018 Order”) with changes which include increases to the 2018 pay levels for agricultural workers.

The Agricultural Advisory Panel for Wales (the Panel) is an independent advisory body which was established under Section 2 (1) of the Agricultural Sector (Wales) Act 2014 (the 2014 Act) by the Agricultural Advisory Panel for Wales (Establishment) Order 2016 (the Panel Order) on 1 April 2016.

The Panel Order sets the number of Panel members at seven; two representatives from UNITE the Union, one representative from the Farmers’ Union of Wales, one representative from National Farmers Union Cymru and three independent members, including an independent Chair. The independent members and Chair are selected via the Public Appointment process.

Article 3(2) of the Order sets out the Panel’s functions. One of the key functions of the Panel is to review agricultural wages and prepare agricultural wages orders in draft, to consult upon them and subsequently submit them to the Welsh Ministers for approval. In accordance with Section 4(1) of the 2014 Act, the Welsh Ministers have the power to a) approve and make the order by Statutory Instrument, or b) refer the order back to the Panel for further consideration.

The Panel reviewed the level of minimum hourly rates and other agriculture related allowances and benefits prescribed in the 2018 Order and, in accordance with their functions, prepared the 2019 Order which increases minimum hourly rates for all Grades and categories of agricultural worker, certain allowances and benefits and makes two further policy changes to the definitions of ‘apprentice’ and ‘qualifying days’.

The panel conducted a targeted consultation on the new proposed rates for the 2019 Order in the autumn of 2018.

The intention of the Panel is to have the new Order in force on 1 April, the same date the NLW and NMW increases take effect. The Panel’s aim is to align the agricultural minimum wage (AMW) increase with NLW and NMW changes, avoiding employers and employees having to cope with a transitional period during which the NLW/NMW would override the AMW levels in Wales.

2 Matters of special interest to the Constitutional and Legislative Affairs Committee

There are no matters of special interest.

3 Legislative background

The 2019 Order is made pursuant to sections 3, 4(1) and 17 of the 2014 Act.

Section 3(1) provides an agricultural wages order is an order making provision about the minimum rates of remuneration and other terms and conditions of employment for agricultural workers. Pursuant to section 3(2), an agricultural wages order may include provision specifying (among other things) the minimum rates of remuneration for agricultural workers.

Section 3(3) provides an agricultural wages order may specify different rates and make different provision for different descriptions of agricultural worker.

Section 4(1) stipulates the Welsh Ministers may, after receiving a draft agricultural wages order from the Panel, either approve and make the order or refer the order back to the Panel for further consideration and resubmission.

Section 17(1) provides that any power of the Welsh Ministers to make an order is exercisable by statutory instrument and includes power to make such incidental, consequential, supplemental, transitional, transitory or saving provision as the Welsh Ministers consider necessary or expedient for the purposes of the 2014 Act.

Pursuant to section 17(3) of the 2014 Act agricultural wages orders are subject to the negative procedure.

4 Purpose & intended effect of the legislation

The statutory AMW regime in Wales safeguards employment conditions and allowances unique to the agricultural sector. It recognises and rewards qualifications and experience through a six grade career structure and provides remuneration rates for each grade and category of worker.

Given the distinct nature of agricultural employment, including seasonality, dominance of casual employment and the use of on-farm accommodation, it is considered desirable to have a separate system of wage setting and employment provisions. This was previously managed by the Agricultural Wages Board (AWB) for England and Wales until its abolition (without reference to the Welsh Government) by the UK Government on 25 June 2013. The Panel carries out similar functions to the AWB by reviewing wages and other employment conditions of agricultural workers in Wales. In addition, the Panel's remit includes promoting skills and career development in the agricultural sector.

The structure of agricultural wages orders rewards qualifications and experience in agriculture through a six grade structure and provides remuneration rates for each grade and category of worker.

Grade 1 is seen as a transitional Grade. The statutory provisions allow Grade 1 workers to gain the necessary qualifications to move to Grade 2 following 30 weeks of continuous employment, at the expense of their employer. The differential between Grade 1 and Grade 2, and the subsequent higher grades, provides an incentive for the further up-skilling of the agricultural workforce and helps set clear career paths for all those employed in agriculture.

Agricultural wages orders contain provisions for apprentices who undertake training under government approved apprenticeship schemes. These provisions support succession, skills development and skills retention within the industry, all of which are considered crucial for the future success of agriculture in Wales. Attractive rates offered to apprentices can help the sector to become a viable and appealing career choice.

The 2019 Order ensures the Welsh agricultural sector operates in accordance with provisions that are in step with current economic conditions, including increased cost of living and changes to the national minimum wage (NMW) and national living wage levels (NLW).

The 2019 Order will replace the 2018 Order and increase the 2018 minimum pay levels for all categories and grades of agricultural workers in Wales. The Panel agreed an increase of 5% for Grade 1 workers (aged 25+) and a 4% increase for Grade 1 workers (16-24 years of age), Year 2 Apprentice (aged 18-20) and Year 2 Apprentice (aged 21-24). The rates of Grade 1 and Grade 2 were agreed in the context of the NMW/NLW increases. The Panel agreed increases of 2% for workers employed at other grades and for the allowances. The minimum hourly wage rates set for Grade 1 workers (aged 21+) and Year 2 Apprentice (18+) in AWO 2019 match the 2019 NMW/NLW rates and the minimum hourly wage rates for all other grades are above the 2019 NMW/NLW rates.

The Panel proposed the following increases for the Agricultural Wages (Wales) Order 2019.

Grade	2019 rates	2018 rates	% of increase
Grade 1 Worker of compulsory school age (13-16)	£3.54	£3.47	2%
Grade 1 Worker (16-24 years of age)	£7.70	£7.38	4%
Grade 1 Worker (aged 25+)	£8.21*	£7.83	5%
Grade 2 – Standard Worker	£8.45	£8.29	2%
Grade 3 – Lead Worker	£8.70	£8.54	2%

Grade 4 – Craft Grade	£9.36	£9.16	2%
Grade 5 – Supervisory Grade	£9.88	£9.70	2%
Grade 6 – Farm Management Grade	£10.64	£10.48	2%
Year 1 Apprentice	£4.00	£3.93	2%
Year 2 Apprentice (aged 16-17)	£4.29	£4.21	2%
Year 2 Apprentice (aged 18-20)	£6.15*	£5.90	4%
Year 2 Apprentice (aged 21-24)	£7.70*	£7.38	4%
Year 2 Apprentice (aged 25+)	£8.21*	£8.05	2%
Changes proposed for allowances -			
The dog allowance- per dog to be paid weekly where an agricultural worker is required by their employer to keep one or more dogs	£8.17	£8.02	2%
The night work allowance for each hour of night work	£1.55	£1.52	2%
The birth and adoption grant	£64.29	£63.09	2%

Agricultural wages orders provide a range of additional agriculture related allowances. Some of these are linked to the appropriate basic pay rates, such as overtime rates and on-call allowance. These provisions acknowledge the very seasonal nature of agricultural work in many agricultural sectors, for example many workers are required to work above their contracted hours during lambing or at harvest time. The 2019 Order will maintain overtime rates at 1.5 times above the applicable basic rates – this will apply to all workers and apprentices.

There are rate rises proposed for the Dog allowance: proposed rate £8.17 (2018 Order £8.02), the Night work allowance: proposed rate £1.55 per hour of night work (2018 Order £1.52) and the Birth and Adoption grant: proposed rate £64.29 for each child (2018 Order £63.09)

The Dog and Night Work Allowances recognise that workers often require a dog to assist them in carrying out their duties and that agricultural workers can be required to work at times outside the normal working day for example to assist in maintaining animal welfare standards.

The Dog allowance is paid weekly where an agricultural worker is required by their employer to keep one or more dogs. The Night work supplement is paid for each hour of night work and is applicable to work undertaken between 7pm in the evening of a given day and 6am the next morning and is payable on top

of the worker's applicable hourly rate. It does not apply for the first two hours of night work.

The Birth and Adoption grant is a payment that an agricultural worker is entitled to receive from their employer on the birth of their child or upon the adoption of a child. The grant is payable on production of the child's Birth certificate of Adoption Order.

5 Consultation

The Panel met to decide whether to propose changes to the 2019 wages order on 4 September 2018. Other proposed changes were:-

Definition of 'apprentice'

Changing the definition of 'apprentice' in article 11 of the draft Order by removing provision in article 11(1)(b) which defined apprentices as being aged 19 or younger in the first year of their apprenticeship. Without this provision, an apprentice can be any age in the first year of their apprenticeship.

Article 11(1)(b) of the 2018 Order defined apprentices as being aged 19 or younger in the first year of their apprenticeship, the prescribed minimum hourly rates for year 2 apprentices aged 21 + were arguably ineffective. The Panel have described the proposed change as a clarification.

Definition of 'qualifying days'

The Panel also propose amending the definition of 'qualifying days' in article 2 of the Order. The amount of annual leave an agricultural worker is entitled to under the agricultural wages orders is calculated using days on which an agricultural worker would normally be required to be available for work. The proposed change ensures for the purpose of the calculation of annual leave, qualifying days include days on which the agricultural worker is taking annual leave, bereavement leave, statutory maternity, paternity or adoption leave or was on a period of sickness absence.

A targeted consultation on their proposals was conducted from 26 September – 26 October 2018. The proposals were emailed to an extensive list of people and organisations and were made available on the Agricultural Advisory Panel's page on the Welsh Government website. Copies of the consultation were also available on request.

Key stakeholders, including the farming unions, UNITE, agricultural colleges and organisations such as the NFU Cymru were included. Panel members were encouraged to share the proposals throughout their networks.

Three responses were received. There was overall support for the proposals but with suggestions to increase some individual wages rates to be in line with NMW/NLV. The Panel met to discuss the responses to the consultation on 29 October 2018 and decided to submit their proposals to Welsh Government.

6 Regulatory Impact Assessment of the Agricultural Wages (Wales) Order 2019

6.1 Proposed changes in AWO 2019

The Panel proposes to change the minimum hourly rates of pay as follows.

Grade or category of worker	2019 Order	Minimum hourly rate of pay	% above minimum wage
Grade 1 worker under compulsory school age	£3.54	£3.47	2%
Grade 1 worker (16 – 24 years of age)	£7.70 (aged 20 and under)	£7.38	4%
	£7.70 (aged 21-24)	£7.70	Same rate
Grade 1 worker (aged 25+)	£8.21	£8.21	Same rate
Grade 2 worker	£8.45	£8.29	2%
Grade 3 worker	£8.70	£8.54	2%
Grade 4 worker	£9.36	£9.16	2%
Grade 5 worker	£9.88	£9.70	2%
Grade 6 worker	£10.64	£10.48	2%
Year 1 Apprentice	£4.00	£3.93	2%
Year 2 Apprentice (aged 16-17)	£4.29	£4.21	2%
Year 2 Apprentice (aged 18-20)	£6.15	£6.15 (worker aged 18-20)	Same rate
Year 2 Apprentice (aged 21-24)	£7.70	£7.70 (worker aged 21-24)	Same rate
Year 2 Apprentice (aged 25+)	£8.21	£8.21 (worker aged 25+)	Same rate

Dog allowance: £8.17 (£8.02 in 2018)

Night work allowance: £1.55 (£1.52 in 2018) per hour of night work

Birth and adoption grant: £64.29 (£63.09 in 2018) for each child

6.2 Summary of Policy options

In this impact assessment, two policy options are considered, reflecting the baseline arrangements (defined below) and the recommendations negotiated by the Panel. Broad categories of costs and benefits are identified. Where sufficient data are available, costs and benefits are quantified for a 12-month period (until which point it is assumed that the new AWO Order will come into

effect)¹. However, constrained by data availability, it is not possible to produce a fully quantified analysis of costs and benefits. Some of the costs and benefits are discussed qualitatively.

Option 1: Do Nothing. This is the baseline policy option to maintain the minimum wage rates for agricultural workers at 2018 levels in accordance with the provisions of the Agricultural Wages Order (Wales) 2018. In addition, the 2014 Act provides provisions that hourly wage rates cannot be below the statutory UK NMW/NLW. In the baseline scenario, the minimum wage rates are adjusted to the 2019 NMW/NLW rates where the rates in AWO 2018 would fall below the NMW/NLW from April 2019. The costs and benefits will be measured against this baseline policy option.

An important context to this baseline is that it maintains the long standing and well-known AMW regulatory regime (preserved by the 2014 Act) for relevant agricultural workers, which safeguards employment conditions and allowances unique to the agricultural sector. The AMW regime recognises and rewards qualifications and experience through a six-grade career structure and provides remuneration rates for each grade and category of worker. Having a separate system of wage setting and employment provisions was justified on the basis of the distinct nature of agricultural employment, including seasonality, dominance of casual employment and the use of on-farm accommodation. This system was previously managed by the Agricultural Wages Board (AWB) using Agricultural Wages Orders (AWO). The final wages order issued by the AWB in 2012 (prior to its abolition) was replaced by the interim AWO 2016, AWO 2017 and AWO 2018 to ensure that the agricultural sector in Wales operated under provisions would be in step with changes in economic conditions, until the Panel was set up and able to commence its work. The previous regulatory impact assessments suggested that the benefits of AWO 2016, AWO 2017 and AWO 2018 include:

- Assisting the effective functioning of the agricultural sector by supporting the existence of a well-trained and skilled workforce which in turn can increase productivity and efficiency.
- Ensuring wage progression for agricultural workers and supporting rural communities - which is an issue of importance within the context of the Welsh Government's Tackling Poverty agenda - through effects on household incomes and improving the skills base of agricultural workers.
- Support agricultural workers and apprentices to gain skills and qualifications, which can improve their job prospects in the future.

The AMW regime also sets rates for young workers under the age of 16 and apprentices as part of a minimum wage rate structure intended to support entry and development of an appropriately skilled workforce. Having attractive

¹ Cumulative effects across years arising from AWOs are not considered within this RIA.

minimum wage rates for these categories of workers can help encourage the younger generation to choose a career in agriculture.

Retaining these identified benefits of having an AMW regime is likely to be particularly important when skill shortage is a prevalent issue for the agriculture sector. More generally, as stated in the Agricultural Sector (Wales) Bill, the benefits of the AMW regime include:

- *It provides a structure to reward skill and experience and maintains a balanced and well-functioning sector in Wales.*
- *It recognises that the agricultural sector is different from other sectors and acknowledges the nature of seasonal work by having special provisions for flexible workers and safeguards the succession of skilled workers by specifying provisions for apprentices and trainees.*
- *It helps farmers and farm workers to specify the terms and conditions of their employment and avoid potential disputes and the need for lengthy negotiations with individuals.*

It is important to note that the baseline option represents a situation where the AMW regime exists. Therefore, the costs and benefits of policy alternatives relative to this baseline do not include the benefits or costs associated with the existence of the Agricultural Minimum Wage (AMW) regime. Instead, it is an assessment of additional costs and benefits of AWO 2019 relative to the AWO 2018 scenario which also takes account of the NMW/NLW changes from April 2019.

Option 2: Implementing New Order. This is the policy alternative, which would involve replacing the current Order (2018) with a new Order (2019). The new order includes all the recommendations from the Agricultural Advisory Panel for Wales. In particular, the new order includes the following key changes to the minimum rates for different categories of workers (see Table 1).

Table 1: Summary of proposed changes to the minimum wage rates by grade

Grade or category of worker	AWO (2019)	AWO (2018)	% increase from baseline	% increase from 2018 rate
Grade 1 worker under compulsory school age	£3.54	£3.47	2%	2%
Grade 1 worker over compulsory school age (16-24)	£7.70 (aged 20 and under)	£7.38	4%	4%
	£7.70 (aged 21-24)	£7.70	Same rate	4%
Grade 1 work (aged 25+)	£8.21	£7.83	Same rate	5%
Grade 2 worker	£8.45	£8.29	2%	2%
Grade 3 worker	£8.70	£8.54	2%	2%

Grade 4 worker	£9.36	£9.16	2%	2%
Grade 5 worker	£9.88	£9.70	2%	2%
Grade 6 worker	£10.64	£10.48	2%	2%
Year 1 Apprentice	£4.00	£3.93	2%	2%
Year 2 Apprentice (aged 16-17)	£4.29	£4.21	2%	2%
Year 2 Apprentice (aged 18-20)	£6.15	£5.90	Same rate	4%
Year 2 Apprentice (aged 21-24)	£7.70	£7.38	Same rate	4%
Year 2 Apprentice (aged 25+)	£8.21	£8.05	Same rate	2%

These increases of 2-4% compare to average pay growth of 3.4% in the UK between November 2017 and November 2018 (the latest data available)². The 12-month average Consumer Price Inflation (CPI) rate was 2.1% in December 2018 (Source: ONS <https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/december2018>). The increase in mean wages for farmers and farmer workers between year 2012 and 2016 was 4.4% (Source: Brookdale Consulting Report to the Welsh Government. Agriculture in Wales: Welsh Labour Market Information.)

The Panel considered a range of statistical information including published data on cost of living increases and the retail index as well as the projected rises to the NMW/NLW rates when discussing their recommendations for the Order.

- **Grade 1 worker under compulsory school age**

The minimum hourly wage rate for Grade 1 workers under compulsory school age will increase to by 2% (from £3.47) to £3.54 in the proposed AWO 2019. Young workers aged between 13 and 16 are only allowed to work part time, specifically 12 hours per week during term time and 25 hours per week during school holidays. However, as there is no data on the number of workers within this category, it is not possible to quantify the changes in total labour costs or earnings.

- **Grade 1 worker over compulsory school age (16-24)**

The hourly minimum wage rate for Grade 1 workers aged between 16 and 24 was £7.38 within AWO 2018. In the proposed AWO 2019, this will be set at £7.70. For Grade 1 workers aged 20 and under, the proposed rate represents 4% increase from the rate for 2018 and is above NMW/NLW 2019. For Grade 1 workers aged 21-24, this is the same rate as with the NMW/NLW 2019. There is no accurate data on the number of workers for this category. However, the number of farmer workers under the age of 25 was estimated to account for 33% of total number of the farmer workers in Wales (Source: Brookdale

² Average Weekly Earnings time series, ONS

- **Grade 1 workers (aged 25+)**

For grade 1 workers aged over 25, the minimum hourly wage rate proposed in AWO 2019 matches the level of NMW from April 2019. Therefore, while the proposed minimum wage rate is higher than the AWO 2018 rate, it is not higher than the baseline for this group of workers

- **Grade 2-6 workers**

Compared to the minimum hourly wage rates in 2018 AWO, the proposed changes in the AWO (Wales) 2019 includes 2% increases in the minimum wage rate for Grade 2-6 workers.

Traditionally, the AWB maintained a pay differential between Grade 1 and 2 at around 10% in order to underline the transitional nature of Grade 1 (initial Grade) and encourage workers' entry to Grade 2 (standard Grade).

Within the proposal of AWO 2019, the proposed minimum wage rate for Grade 2 workers is 3% higher³ than that for Grade 1 workers aged 25 and above. The difference becomes smaller compared to those in previous Orders apart from AWO 2017(see Table 2).

Table 2: Hourly Wages Rates by Grade in AWO 2012, 2016-2019.

Grade	Wage Rates 2012-2019					In-grade difference, 2012-2019				
	2012	2016	2017	2018	2019	2012	2016	2017	2018	2019
Grade 1 worker (aged 25+)	£6.21	£7.2	£7.51	£7.83	£8.21	-	-	-	-	-
Grade 2 worker	£6.96	£7.39	£7.54	£8.29	£8.45	12%	10%	0.4%	6%	3%
Grade 3 worker	£7.66	£8.12	£8.22	£8.54	£8.70	10%	10%	9%	3%	3%
Grade 4 worker	£8.21	£8.72	£8.82	£9.16	£9.36	7%	7%	7%	7%	8%
Grade 5 worker	£8.7	£9.23	£9.34	£9.70	£9.88	6%	6%	6%	6%	6%
Grade 6 worker	£9.4	£9.97	£10.09	£10.48	£10.64	8%	8%	8%	8%	8%

Source: Hourly wage rates are from AWO 2012, 2016, 2017, 2018 and AWO 2019 proposal. Percentage paid above the previous grade is calculated from minimum hourly wage rates.

Similarly, the difference between the minimum wage rates for Grade 2 and Grade 3 also becomes smaller at 3%. In previous AWOs the difference between

³ The wage rates compared also reflect changes in NMW/NLW rates from April 2019.

the two grades was around 10%. This change may lead to reduced incentives for Grade 2 workers to upskill so as to progress to Grade 3 although some workers may still be incentivised to pursue training to reach even higher grades.

For other grades (4-6), the in grade difference are maintained at the same level in previous years (6-8%)

- **Year 1 and Year 2 Apprentices**

The minimum wage rates for the Y1 apprentices within AWO 2019 are higher than the NMW/NLW rates for Apprentice which other sectors would abide to. This will help the agricultural sector to become a viable and appealing career choice.

The minimum hourly pay rates for Y1 Apprentice and Y2 Apprentice (aged 16-17) in the proposed AWO 2019 are 2% higher than the AWO 2018 rates.

The hourly rate for Y2 Apprentices aged 18 and older in AWO 2019 are set at the NMW/NLW rates.

However, as there is no data available on the number of apprentices working in agriculture, the impact of changes in minimum wage rates of these Apprentice grades cannot be quantified.

- **Changes in other provisions**

In addition to the changes in minimum wage rates for different types of agricultural workers, there are a few other changes in other provisions (see Table 3). These include changes to dog allowance, night allowance and birth and adoption grants, all of which has a 4% increase from the AWO 2018 rate.

Table 3: Changes to other provisions

Type	AWO 2019	AWO 2018	% increase
Dog allowance	£8.17	£8.02	2%
Night allowance	£1.55	£1.52	2%
Birth and adoption grants	£64.29	£63.09	2%

The costs and benefits of these changes cannot be quantified due to lack of data.

- **Summary of quantification of wage costs/earnings**

Due to data availability, the breakdown by grade is not available for many of the worker groups. Therefore, only the costs and benefits associated with agricultural workers for Grade 1 (aged 25+) to Grade 6 were estimated for both basic pay and overtime pay in the RIA where the number of workers in each grade were estimated based on data from Farm Labour and Wage Statistics

(Defra, 2012)⁴. These estimates were based on Defra's costings model and the hours worked per week collected from the Earnings & Hours survey, run by Defra's Economics and Statistics Programme.

The hours were broken down into basic and overtime, and the calculation of the wage costs reflected this. Although the data is dated, it represented the only available source of data that contained break down information by grade of workers. It should also be noted that this was not Wales specific data and represented the labour structure by grade of workers for England and Wales. Therefore, the assumption was made that the labour structure in Wales was similar to the overall estimate made by Defra in their survey.

The limited amount of Wales specific information has been identified as an area for attention. Work is underway to both fully explore the existing information sources and to gather up-to-date information directly to inform future orders.

The changes in costs or benefits related to other categories of workers are expected to be very small due to small number of people involved in those categories, which include Grade 1 workers aged between 16-24 and Year 2 Apprentice.

The Panel also proposed making two further policy changes in relation to the definitions of 'apprentice' and 'qualifying days' in the order.

- **Enforcement cost**

In terms of enforcement costs, it is anticipated that administrative costs accruing to the Welsh Government would be broadly similar under Agricultural Wages Order 2019 as the Welsh Government is enforcing the Orders introduced under the 2014 Act.

The government enforcement costs associated with the 2014 Act for enforcing the provisions of the 2012 wages order was estimated at around £3,000 per year in the previous RIAs of the wages orders in 2016 and 2017. This was based on a reactive enforcement mechanism, where the Welsh Government would investigate any claims of potential underpayment and if necessary, issue enforcement notices. There were four formal cases needing varying levels of investigation 2016-2018. It is difficult to predict the number of cases arising, or their precise nature. Enforcement costs continue to be based on the assumption that there are two cases per year to investigate.

No separate costing to Welsh Government associated with inspection/enforcement work. It is difficult to predict accurately the number of cases that may come forward but these will be met from existing provision.

⁴ Available at:

<http://webarchive.nationalarchives.gov.uk/20130123162956/http://www.defra.gov.uk/statistics/files/defra-stats-foodfarm-farmmanage-earnings-labour2012-120627.pdf>

- **Administrative cost**

In addition to the cost of compliance, there will be a cost to farm businesses for adjusting to the requirements of the new AWO and changes in associated calculations in Wales.

Farmers will need to be familiar with both the Welsh AWO provisions and UK labour legislation (for example, in relation to the national minimum wage) to ensure that workers are being correctly remunerated.

It is assumed that each employer would need one hour⁵ to familiarise themselves with the new Order and make adjustments to pay rates and other provisions. Based on data from the Office for National Statistics (ONS)' Annual Survey of Hours and Earnings (2018)⁶, it is assumed that the average cost per hour of a farmer's time is £11.67 (figure for all employees in the agriculture, forestry and fishing industry, excluding overtime pay). The median value of agricultural labour cost from the same source was £9.85 per hour. Inclusion of non-wage labour costs, such as employer's national insurance and pension contributions would serve to increase such cost estimates. In addition, the hourly rate used here is an average/median value for all farm workers. In reality, however, those whose time is involved are likely to be the farmer owners or farm business managers whose wage rates are likely to be at the higher end of the wage rate distribution.

According to ONS statistics on business population by region and by sector, there are 15,800 businesses in agriculture, forestry and fishing sector in Wales in 2018 with 2,925 businesses being employers⁷. The administrative costs to farm businesses are therefore estimated at £34k for Wales. If using the median value for the labour cost (£9.85 per hour), the total admin costs to farm businesses are estimated at £29k. The estimated cost would be higher if the wage rates for farm managers/owners were used and non-wage costs were reflected in the rates. However, it should also be noted that not all the 2,925 agricultural businesses who employed labour are using the AWO but it is not known how many of these businesses being users of the AWO.

⁵ This is consistent with the estimates used in the RIA of abolishment of AWB by Defra and the RIA of the Act 2014.

⁶ Estimates for 2018 (provisional) of paid hours worked, weekly, hourly and annual earnings for UK employees by gender and full/part-time working by 2 digit Standard Industrial Classification 2007. Industry (2 digit SIC) - ASHE: Table 4.6a. Available at: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/industry2digitsicashetable4>

⁷ Table 21 Number of businesses in the private sector and their associated employment and turnover, by number of employees and industry section in Wales, start 2018 within statistics on BUSINESS POPULATION ESTIMATES FOR THE UK AND REGIONS 2018. Available at: <https://www.gov.uk/government/statistics/business-population-estimates-2018>.

6.2.1 Evidence Review

In this RIA, we have reviewed the evidence presented in the previous RIAs of AWO 2016, AWO 2017, AWO 2018 and considered additional literature where relevant. Our conclusion is that the key points made in the previous RIAs on the minimum wage impacts are still valid, which are summarised as follows. However, it should be noted that the evidence was focused on the impact of minimum wages while the economic evidence on the effects of the multi-grade minimum wage structure (i.e. multiple wage floors) is rather limited.

- *Employment:* Provided minimum wage levels are set cautiously, their negative effect on employment levels within affected sectors can be minimised. Some evidence has been found for a reduction in hours worked, but this is not conclusive. There is also evidence suggesting that the introduction of the minimum wages was associated with an increase in labour productivity. On balance, the evidence suggests that there are limited effects of the introduction of the minimum wages on employment. This is especially the case where the minimum wage rates have been set incrementally within context of economic/labour market conditions.
- *Wage rates and structure:* If minimum wages are set above current market rates, they act to raise the wage floor, tending to compress the wage structure by raising the wages of the lowest paid relative to others. The effect may be transmitted up the pay structure, leading to wage rises for those being paid more than the statutory minimum, although the extent to which this has taken place has varied across different minimum wage regimes.
- *In-work poverty:* Minimum wages tend to benefit the lowest-earning working households, thus having some positive impact on in-work poverty. This positive impact, however, may not necessarily positively impact on low earning households. Overall, the impact of minimum wages on poverty is very small. The Institute for Fiscal Studies⁸ has found that the National Living Wage will raise household incomes by less than 1% on average, even for poorer households.
- *Company level impacts:* Research suggests that firm responses to involuntary increases in wage costs can include increasing prices, increasing labour productivity⁹, accepting reduced profits, organisational changes (such as tighter human resource practices, increased performance standards at work, and better management practices),

⁸ Institutes for Fiscal Studies (IFS), 2016. Living Standards, Poverty and Inequality in the UK: 2015-16 to 2020-2. IFS Report R114.

⁹ Research on labour productivity growth in general tends to demonstrate linkages between the NMW and productivity that are positive but not statistically significant. [Source: David Metcalf, 'Why has the British National Minimum Wages had Little or No Impact on Employment?'. Journal of Industrial Relations, Vol 50:3, pp. 489-512 (pp. 501-502).]

efficiency wage¹⁰ and training responses (increasing training provisions to employees). However, the relationships between company level responses and the pay structure with multiple minimum wage levels are an under-explored area within the literature. This seems unlikely to change given the limited use of multiple wage-minima arrangements.

6.3 Costs & benefits

This section assesses the potential costs and benefits for both policy options. However, significant limitations exist across data and methodology. Specifically, disaggregated up to date data for Wales are not always available and few methodologies exist to demonstrate the relationship between employment, business performance of the agricultural sector and minimum wages. As a result, some impacts cannot be quantified with any degree of accuracy. The quantification was focused on the impact on wage costs/earnings for Grade 1-6 agricultural workers where disaggregated data are most available. However, the distribution by grade of workers was based on Defra study in 2012 which was not Wales's specific data and relatively dated. The impact on other categories of workers or the impact of changes in allowances generally affect very small groups of workers and therefore the impacts are expected to be minimal. Due to lack of detailed data on these groups, the impacts of changes related to them were not estimated. However, the administrative costs to the farmers are estimated for their time to familiarise themselves with and make adjustments in accordance to AWO 2019. Where estimates are provided, they are indicative, with Appendix A containing the detailed calculations of how these estimates were derived.

In terms of minimum wage rate changes, the AWO 2019 represents a rise of 2% rise for agricultural workers within Grade 2-6. This affects over 9,900 workers (with 65% of whom being part-time and casual workers) out of the 12,900 paid agricultural workers in Wales in 2018.

As a result, this RIA takes the following approach to assessing each option:

- **Option 1:** Baseline option.
- **Option 2:** Provides more detailed estimates as to the impact of changes in minimum wage levels for Grades 1 to 6, aiming to calculate additional impacts that directly relate to Option 2.

Option 1: Do nothing

This is the baseline option and as such there are no additional costs or benefits associated with this 'do nothing' option.

¹⁰ The efficiency wages are based on the notion that wages do not only determine employment but also affect employees' productive behaviour or quality. Under certain conditions, it is optimal for employers to set compensation above the market clearing level in order to recruit, retain or motivate employees.

Option 2: Introducing Agricultural Wages (Wales) Order 2019 to replace AWO 2018.

6.3.1 Impact on Employment

Empirical studies examining the employment impacts of the NMW/NLW suggest that labour demand has remained broadly unchanged despite this legislated rise in earnings for the lowest paid¹¹. This is consistent with the findings from the literature review in the previous RIAs of AWO 2016, AWO 2017, and AWO 2018 for Wales.

In the previous RIAs, employment effect was estimated using a minimum wage elasticity of -0.19 (an average value from the literature). This mean value was based on a meta-analysis¹² (carried out in 2014) of 236 estimated minimum wage elasticities from 16 UK studies. The median value from these 236 estimated elasticities was much smaller at -0.03 which means increases in minimum wages would lead to statistically insignificant reductions in employment. A more recent comprehensive systematic review and meta-analysis of the UK NMW empirical research carried out RAND Europe¹³ suggests an even smaller employment effect no overall statistically or economically significant adverse employment effect, neither on employment and hours nor on employment retention probabilities. The minimum wage elasticities reported by this study were -0.0097 and -0.0022 when considering partial correlations. This adverse employment effect is so small that it is negligible and has no meaningful policy implication.

The agricultural labour force in Wales in 2018 totalled 52,200 people, with 12,900 of these being employed as farm workers (see Table 7 Appendix A). No data is available as to the proportion of the total farm workers in each grade in Wales. However, such data is available for the UK as a whole for 2012 from Defra which is based on historic data and assumptions. The estimates from the Defra study can be combined with the 2018 data for the total agricultural labour force in Wales to provide crude estimates of workforce grade composition (see in Table 8 Appendix A). It is estimated that some 3,000 workers may be within Grade 1; 7,000 workers within Grade 2 and some 2,700 workers within Grades (3-6).

Based on these estimates, an application of the mean elasticity estimate (-0.19) and the assumption that workers move from the current minimum to the new minimum wage, it is estimated that there would be a reduction in employment of 125 farm workers (see Table 15 in Appendix B for detailed calculations). It should be noted that these minimum pay rate increases are not the full difference between AWO 2018 and AWO 2019; instead, it has taken account of forthcoming increases in NMW and NLW from April 2019. If using the median value of elasticity coefficient -0.03, the reduction in employment would be 20

¹¹ Riley, R. and Bondibene, C. (2015). Raising the Standard: Minimum Wages and Firm Productivity. National Institute of Economic and Social Research.

¹² A statistical analysis of a large collection of results from individual studies for the purpose of integrating the findings.

¹³ Hafner, M et.al, 2016. The impact of the National Minimum Wage on employment: a meta-analysis. A report for the UK Low Pay Commission.

people (see Table 16 at Appendix B). If using the elasticities of -0.0097 and -0.0022, the reductions in employment would be 6 and 2 people. Overall, the impact on employment is negligible.

In terms of reductions to hours worked, some evidence suggests that it is likely that some farm businesses will seek to absorb higher labour costs through reducing the number of hours worked in addition to other effects on employment, although this cannot be estimated with any degree of accuracy.

6.3.2 Earnings

In 2012, Defra published a labour force model which was used to calculate gross wage costs at a UK level. The estimated additional costs of the proposed pay rate increases for each worker type (full time, part time and casual) have been calculated by multiplying the increase per hour for the respective grades, the number of hours worked per week, the number of weeks worked per year and the number of workers in the industry (not adjusted to taking account of non-wage labour costs). There are separate costings for basic and overtime. As disaggregated data by grade of workers for Wales were not available, the cost estimates are based on these 2012 UK assumptions combined with 2016 agricultural labour force data for Wales (see Table 7 to Table 10 in Appendix A) of changes in gross annual wage costs for Option 2 relative to the baseline option. These estimates are also provided in Table 4, which suggests that the changes in costs for Option 2 are estimated at £2.2million in 2019-20 with the largest impact from Grade 2 workers. This represents a transfer from farm businesses to farm labour, with the former incurring an equivalent cost of £2.2million. Although the basis used to estimate the number of workers in each grade, the number of hours worked per week and the number of weeks worked per year is partly relying on data from Defra cost model which is dated back to 2012, it still represents the best estimate that is available for calculating the additional labour costs as a result of pay rate rises.

The limited amount of Wales specific information has been identified as an area for attention. Work is underway to both fully explore the existing information sources and to gather up-to-date information directly to inform future orders.

It should also be noted that the difference in minimum wage rates between Option 1 and 2 is not the full difference between AWO 2018 and AWO 2019. It also takes account of forthcoming statutory NMW and NLW from April 2019.

Table 4: Estimated changes in annual wage costs, waged agricultural workforce, Wales 2019-20 (a-c)

Grade	Full-time (£)		Part-time (£)		Casual (£)		Total (£)
	Basic	Overtime	Basic	Overtime	Basic	Overtime	
1	0	0	0	0	0	0	0
2	427,535	99,444	315,544	0	150,011	24,624	1,017,158
3	98,662	22,949	35,060	0	0	0	156,671

4	411,091	95,619	68,869	0	0	0	575,579
5	135,660	31,554	16,904	0	0	0	184,118
6	188,417	43,825	17,217	0	0	0	249,459
Total (£)	1,261,365	293,391	453,595	0	150,011	24,624	2,182,986

Notes:

(a) Data assumes that workers are earning no more than the hourly minimum.

(b) Defra assumed that part-time workers do not work overtime.

(c) Totals may not sum due to rounding.

Source: Authors' calculations

Option 2 may create a wage difference between Wales and England, potentially disadvantaging farmers who largely compete with producers based in England, as is the case for the dairy industry. More generally, this would affect actual wage rates/terms and mobility of labour and potentially increase to the cost base. This relative increase to the cost base may accentuate the degree to which decreases in profits/ hours worked, or increases in prices may take place. However, farmer businesses in Wales are generally price-takers with limited power to influence the price of their goods and there will be limited scope to pass on cost increases via price rises. Despite this, it is reasonable to conclude that the increased cost base associated with Option 2 will have some negative impact on the sector's competitive positioning with those businesses located in England, such impacts are likely to be relatively marginal in overall terms. In general, changes in market conditions have a much larger impact on the agricultural sector than differences in wage rates. In other words, structural changes in the agricultural sector are more likely to be driven by the changes in market conditions while impact of the differences in wages rates are relatively modest.

The distribution by grade was based on data from Defra which was not Wales specific data and has not been updated after 2012. As such, there are some uncertainties around whether the data from the Defra study represents the distribution of farm workers by grade in Wales. Therefore, sensitivity analysis was carried out to test the impact on the results of different distribution of farm worker by grade.

Three tests were carried out varying the percentages for Grade 2, Grade 4 or Grade 5 full-time workers. Composition 1 is the baseline; composition 2 increasing Grade 2 workers by 10% and reducing Grade 4 workers by 10%; composition 3 increasing Grade 2 workers by 10% and reducing Grade 5 workers by 10%¹⁴. For composition 1, the wage cost of Option 2 is estimated at £2.18million. The wage cost based on composition 2 is £2.14million and £2.17million based on composition 3. Collection of data on farm workers by grade in Wales would help improving accuracy of estimates.

composition 1			
Grade	Full-time	Part-time	Casual

¹⁴ 10% is an arbitrary number. As the actual distribution by grade for Wales is not known, a 10% redistribution between grades was assumed and deemed to be big enough to test sensitivity.

Grade 1	6%	14%	39%
Grade 2	39%	63%	61%
Grade 3	9%	7%	
Grade 4	30%	11%	
Grade 5	11%	3%	
Grade 6	5%	1%	

Composition 2			
Grade	Full-time	Part-time	Casual
Grade 1	6%	14%	39%
Grade 2	49%	63%	61%
Grade 3	9%	7%	
Grade 4	20%	11%	
Grade 5	11%	3%	
Grade 6	5%	1%	

Composition 3			
Grade	Full-time	Part-time	Casual
Grade 1	6%	14%	39%
Grade 2	49%	63%	61%
Grade 3	9%	7%	
Grade 4	30%	11%	
Grade 5	1%	3%	
Grade 6	5%	1%	

6.3.3 Impact on prices, productivity and profitability

As well as impacting on total wage costs and labour inputs, increases to the cost base caused by additional wage costs may be expected to impact on farm businesses – and three issues profits, prices and productivity are briefly discussed. The extent to which these outcomes will occur in relation to Option 2 depends on a broad range of factors affecting individual farm businesses. Existing literature is unclear on the linkages between minimum wages and these factors, which are therefore assessed qualitatively.

In relation to output prices, farms in Wales are generally price-takers with limited power to influence the price of their goods. While such influence will vary according to the type and nature of the product being sold, Welsh farmers are generally operating in a national or international market with relatively limited product differentiation. When combined with current market pressures, this means that passing on cost increases via price rises seems unlikely, although farms in some sectors may be more likely than others to have a marginally greater ability to increase prices.

There is limited evidence as to the linkage between minimum wage structure and labour productivity on farms in Wales. The scope available to each farm to exploit productivity improvements will depend to a large extent on issues such as technology adoption, characteristics of the farm and farmer and any scope for economies of scale. Overall, there is insufficient evidence to assess the likely outcomes in terms of productivity implications.

In the absence of other adjustments, increased wage costs would be expected to put downward pressure on profits (reflecting the transfers to agricultural workers). In relation to profitability, there is great variation between farms in Wales and the extent of impacts will vary across farms.

6.3.4 Cost: government enforcement

It is considered that the enforcement cost related to Option 2 would remain at similar levels with Option 1.

6.3.5 Benefits

6.3.5.1 Impact on Earnings

Under the previously explained assumptions, the proposed changes in AWO 2019 minimum wage rates are estimated would raise total wages received by agricultural workers by some £2.2 million per annum. It should be noted that these benefits are not related to full change between AWO 2018 and AWO 2019; instead, they relate to the changes in wage rates taking account of forthcoming increases in NMW and NLW from April 2019.

This sum can be expected to have further indirect impacts in terms of localised spending power, with a greater concentration within rural areas with a higher proportion of agricultural workers although this also depends on patterns of expenditure that would have taken place from farm businesses (given the transfers).

6.3.5.2 Impact on poverty including in-work poverty

By raising the earnings floor, minimum wages might be expected to raise household income. With all else being equal, some potential impact on in-work poverty is expected, although this could be offset by a reduction in hours worked/employment and, where relevant, could be dampened by the effects of

the tax and benefits system whereby workers would pay more tax on increased pay and/or receive reduced benefits. The effect also depends on business and individual labour decisions.

The raising of minimum wage levels will have had some impact on in-work poverty by supporting the wages of the lowest paid workers. Although evidence is not available on the effects of multiple wage floors compared to single wage floors, the use of multiple minimal wage structure may accentuate impact on in work poverty, given that more workers will be affected than would be the case for a single wage floor. Putting this into the context of agricultural workers in Wales, of the 12,900 waged workers in agriculture within Wales in 2018, 28% were full time. The remaining 72% were part-time, seasonal or casual. The probability of in-work poverty is generally higher for part-time, seasonal or casual workers than full-time workers. This relates to around 9,000 farm workers on part-time or seasonal basis.

There is an increase of 2% in hour rates for Grade 2-6 workers. This could positively impact some 3,300 people on full time basis, 3,000 on part-time basis and 3,500 casual workers (see Table 10) in Appendix A.

However, total impact on overall in-work poverty and on rural poverty in general, will be limited due to the small number of people involved and the more uncertain impact on household poverty.

6.3.5.3 Impact on training and skills

It is anticipated that AWO 2019 will continue to enable up skilling and a clearer career structure within the agricultural sector. It will contribute to developing and retaining skills across the entire agricultural sector. ADAS carried out a study on the use of AWO for Welsh Government in early 2016 which involves a survey of 176 farm businesses that employed labour across different farm size and type. The survey collected responses from 34 AWO users, 109 non-users and 33 who never heard of AWO. Among those who are aware of AWO (143 farmers), a higher percentage (49%) of AWO users than that (45%) of non-users thought AWO was somewhat or very useful in staff skill development and performance, although this difference is not statistically significant. Within the non-users of AWO (109 farm businesses), 41% thought AWO would be useful in encouraging staff to seek new skills or qualifications in order to obtain higher grades.

Overall, the increase to agricultural minimum wage levels in Wales offers the opportunity to incentivise skills acquisition within the agricultural sector, potentially increasing the number of people receiving all types of training within the sector, and potentially enhancing the supply of skilled labour. As the minimum wage rates set out in AWO 2019 are generally higher than NMW/NLW and it maintains a privilege rate not universally enjoyed by other sectors than agriculture, this should help to retain the employment and skills within the agricultural industry. The up skilling impact is more related to the pay structure, which will be maintained under AWO 2019. However, the potential increase in

labour cost may to some extent negatively affect the provision of up skilling by employers.

6.4 Sector impacts

6.4.1 Impact on local government

No evidence of significant differential impact.

6.4.2 Impact on voluntary sector

No evidence of significant differential impact.

6.4.3 Impact on small businesses

The increase in costs associated with pay and other amended terms and conditions will affect farm businesses, including small businesses in the sector. The minimum agricultural wage rates had been updated annually by AWB until 2013. Grade 1 workers' pay rates were adjusted between 2013 and 2015 in line with NMW/NLW. The pay rates were further raised in the AWO 2016, AWO 2017 and AWO 2018. It is important to acknowledge though that these rates only set statutory minimum wage levels and that employers may pay higher wages to workers to reflect their skills and the level of responsibilities taken on farm.

According to the Office for National Statistics (see Table 5), there are 15,800 agricultural, forestry and fishing businesses in Wales and 19% are employer businesses. The figures for England were 104,665 and 38%. The data suggests that agriculture in Wales is dominated by small businesses (17% being businesses that employ less than five employees, 10% being businesses with five and more employees) and the majority of businesses do not employ labour (73%). For smaller business with paid labour, the increases in labour costs as a result of increases in AMW may have a negative impact on business profitability.

ADAS carried out a study on the use of AWO for Welsh Government in early 2016 which involves a survey of 176 farm businesses that employed labour across different farm size and type. The study suggested that the average labour cost (for paid labour) was around 18% of the total inputs but no statistically significant differences were found between different farm sizes. This suggests that in terms of the cost structure (% of paid labour cost within total costs), it is similar across all farm sizes and there is no indication that smaller businesses would be affected disproportionately due to increases in the cost of paid labour.

Table 5: Number of agricultural businesses by size band in England and Wales (2018)

Agriculture, Forestry and Fishing	England		Wales		
-----------------------------------	---------	--	-------	--	--

	No. of businesses	%	No. of businesses	%
All businesses	104,665	100.0	15,800	100.0
All employers	39,935	39.1	2,925	18.5
With no employees (unregistered)*	5,575	2.0	1,920	12.2
With no employees (registered)*	59,155	25.3	10,955	69.3
1	13,770	10.3	1,185	7.5
2-4	17,830	19.0	1,270	8.0
5-9	5,320	10.9	335	2.1
10-19	1,795	7.2	105	0.7
20-49	815	7.2	25	0.2
50-99	245	4.9	5	0.0
100-199	90	3.4	0	0.0
200-249	15	*	0	0.0
250-499	35	*	0	0.0
500 or more	20	5.5	0	0.0

Source: ONS (2018) Business population estimates for the UK and regions 2018, Table 20 and Table 21. <https://www.gov.uk/government/statistics/business-population-estimates-2018>

Note: * Businesses with no employees can either be 'registered' for VAT or PAYE or are 'unregistered'.

The majority of farms in Wales are small businesses and the policy has been developed within this context. As a result, the impact of Option 2 is not expected to impose any additional or disproportionate impact on small businesses. The larger farms, dairy farms and horticultural businesses tend to use more paid labour than the smaller businesses or other farm types. These farms may face more pressure from labour cost increases.

6.4.4 Impact by sector

The impact on different sectors may vary depending on the composition of cost base of the farm businesses. The Farm Business Survey data for Wales (2017-2018) suggests that the costs for casual and regular labour accounted for 4-6% of their agricultural cost base (see Table 6).

Table 6 : Labour cost as a percentage of total input for farm businesses in Wales by sector (2017-2018)

Farm type	Labour cost (£), casual and regular labour	Agricultural cost (£)	Share of labour cost
LFA Cattle and Sheep Farms	3,400	82,000	4%
Lowland Cattle and Sheep Farms	3,000	77,500	4%
Dairy	18,600	312,000	6%
All Farm Types	5,900	118,100	5%

Source: Calculated from Farm Business Survey (FBS) data for Wales (2017/2018) <https://gov.wales/statistics-and-research/farm-incomes/?lang=en>.

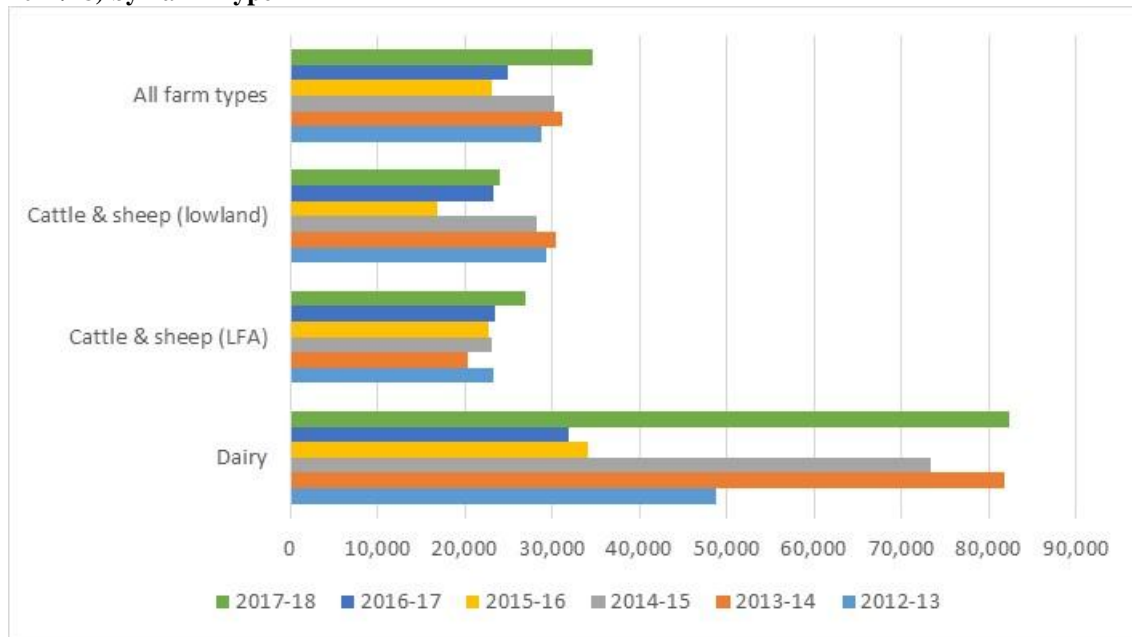
There is limited evidence as to labour productivity on farms in Wales. The scope available to each farm to exploit productivity improvements will depend to a large extent on issues such as technology adoption, characteristics of the farm and farmer and any scope for economies of scale. Overall, there is insufficient evidence to assess the likely outcomes in terms of productivity improvements.

In relation to profitability, there is variation between farms in Wales. Information on farm business income for 2017-18 suggests that there is variation across the major farm types. For dairy farms, the average farm business income was around £82,400 and cattle and sheep farms in the Less Favoured Area (LFA) around 26,900, cattle and sheep (lowland) 24,000¹⁵.

Time series of farm business income data (see Figure 1) suggests that business profitability across the main farm types stays at a low level and that there is also variation between years and between farm types. For example, the farm business income for the dairy sector has fluctuated most dramatically (large decline in 2015/16 and 2016/17 and bounced back in 2017/18) in recent years and income for LFA cattle and sheep farms have been relatively stable but at low levels.

¹⁵ Source: Welsh Government 2017. Statistics on Farm Incomes. Available at: <http://gov.wales/statistics-and-research/farm-incomes/?lang=en>. For lowland cattle and sheep farms, there was a significant increase (+40% from the previous year) in farm business income in the year 2016-17 e.

Figure 1: Farm Business Income (in real terms at 2017/18 prices) in Recent Years (2012/13-2017/18) by Farm Type

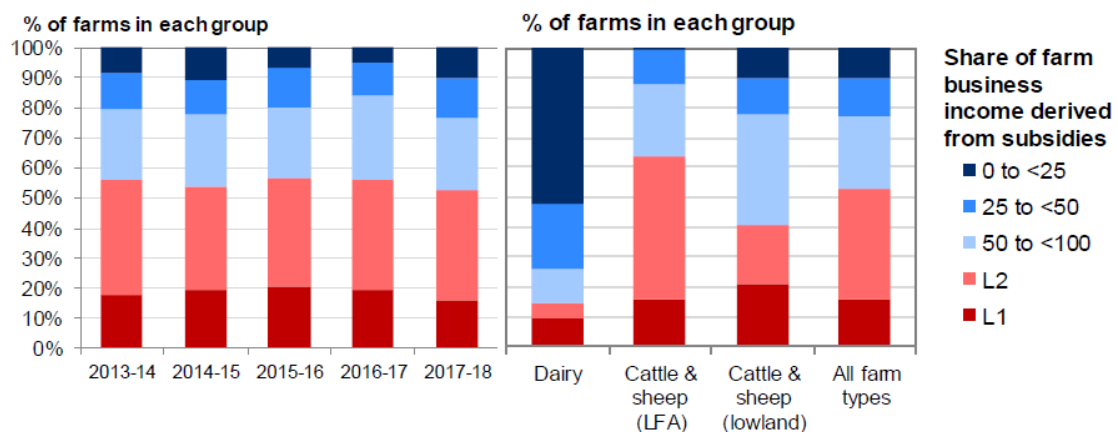


Source: Based on Statistics on Farm Incomes (2017-2018).

It should be noted however, the profitability data of farm businesses should be interpreted in the context that the industry is currently heavily relying on public subsidies. According to the Farm Business Survey, over 50% of all farms either made a loss or would have done so without subsidy in year 2017-18 (see Figure 2). The level of dependence varies between farm types. In 2017-18, around 62% of cattle & sheep (LFA) farms either made a loss or would have done so without subsidy, compared with around 40% cattle & sheep (lowland) farms and around 15% of dairy farms.

As a wider context, this dependence on subsidy can leave farms vulnerable to policy changes especially after Brexit. Increases in labour cost would add more pressure to farm business profitability particularly for those farms that are making a loss with and without subsidies.

Figure 2: Variation in subsidies* as a share of farm business income in Wales



Source: Farm Business Survey Quoted in Statistics Release on Farm Incomes in Wales 2017/18.

Note *: subsidies include agri-environment payments and single farm payments; L1 - Including subsidy, the farm made a loss; L2 - Without subsidy, farm would have made a loss.

Several recent studies (AHDB 2017; Dwyer 2018; House of Commons Welsh Affairs Committee, 2018)¹⁶ on the impacts of Brexit on agriculture in Wales suggest that many parts of the agricultural supply chain are heavily reliant on migrant workers from the EU. Often, the demand for labour in agriculture and the associated supply chain is on a seasonal basis as opposed to year-round employment. If there is no longer free movement of workers between the UK and the rest of the EU post-Brexit, availability and the cost of labour will be negatively impacted. The most vulnerable sectors include horticultural sector and wider agri-food sectors such as abattoirs, veterinary services, meat cutting, dairy processing plants and food packing.

In general terms, increases to the agricultural cost base will impact on farm income and profitability, but the extent of this cannot be accurately forecast. However, it is reasonable to assume that AWO 2019 may add further pressure on the cost base increases when compared to baseline.

6.5 Consultation

The Panel met to decide whether to propose changes to the 2019 wages order on 4 September 2018. A targeted consultation on their proposals was conducted from 26 September – 26 October 2018. The proposals were emailed to an extensive list of people and organisations and were made available on the Agricultural Advisory Panel for Wales' page of the Welsh Government website. Copies of the consultation were also available on request.

Key stakeholders, including the farming unions, UNITE, agricultural colleges and organisations such as the NFU Cymru were included. Panel members were encouraged to share the proposals throughout their networks.

Three responses were received. There was overall support for the proposals but with suggestions to increase some individual wages rates to be in line with NMW/NLV.

6.6 Competition Assessment

See Appendix C.

¹⁶ AHDB, 2017. Brexit Scenarios: an impact assessment: https://ahdb.org.uk/documents/Horizon_Brexit_Analysis_20September2016.pdf

Dwyer, J. 2018. The Implications of Brexit for Agriculture, Rural Areas and Land Use in Wales. Report to Public Policy Institute for Wales.

6.7 Conclusion

Potential costs and benefits for both policy options are considered and compared. However, significant limitations exist across data and methodology. Specifically, disaggregated up to date data for Wales are not always available and few methodologies exist to demonstrate the relationship between employment, business performance of the agricultural sector and minimum wages. As a result, some impacts cannot be quantified with any degree of accuracy. The quantification was focused on the impact on wage costs/earnings for Grade 1-6 agricultural workers where disaggregated data are most available. However, the distribution by grade of workers was based on Defra study in 2012 which was not Wales specific data. The impact on other categories of workers or the impact of changes in other allowances generally affect very small groups of workers and the impacts are expected to be minimal. Due to lack of detailed data on these groups, the impacts of changes related to them were not estimated. However, the administrative costs to the farmers are estimated for their time to familiarise themselves with and make adjustments in accordance to AWO 2019. It should also be noted that the two policy scenarios are not the full difference between AWO 2018 and 2019; the differences in labour minimum wage rates also take account of the forthcoming changes in NMW and NLW from April 2019.

In terms of the relative increases within the pay structure, the wage rate for Grade 1 workers (aged 25 and above) is set at the NLW level from April 2019. This increase represents a 5% increase from the AWO 2018 rate. There is a 2% increase for Grade 2-6 workers.

Potential costs that are additional for Option 2 are summarised as follows:

1. *Employment:* The proposed increases may lead to reduction of about 20 or fewer agricultural jobs in Wales. The overall impact on employment is negligible. Reductions in hours worked may take place, but cannot be quantified.
2. *Earnings:* The total transfer could be raised by some £2.2 million per annum. This is the estimate for additional earnings under AWO 2019 also taking account of changes in NMW/NLW from April 2019.
3. *Prices, productivity and profitability:* All else given, this is likely to put downward pressure on farm business profits, but with an unclear effect on productivity. Output price rises enabling margins to be maintained seem unlikely given that the farm businesses are generally price-takers and there is limited pricing power of farm businesses. In terms changes in agricultural outputs, they are more directly affected by broader agricultural market conditions.
4. *Administrative costs:* there will be a cost to farm businesses for adjusting to the requirements of the new AWO and changes in associated calculations in Wales. It is estimated that this will cost farming businesses £29k-£34k.

5. *Government enforcement:* It is likely that administrative costs accruing to the Welsh Government would be broadly similar under both options as the Welsh Government is already enforcing the AWO regime that has been preserved under the 2014 Act assuming no changes in the volume of case work to investigate each year.

Potential benefits that are additional to Option 2 include:

1. **Earnings:** The proposed minimum wage rate changes are estimated to transfer some £2.2 million per annum to agricultural workers (from employers) (excluding the effects of non-wage labour costs) in terms of their total gross income, with potential impacts throughout the wages distribution associated with the differential minimum wage rates for the different grades.
2. **In-work poverty:** Option 2 would be expected to reduce in-work poverty to some extent (to the extent that the higher hourly wage rates are not offset by reduced hours/employment), with a geographic focus on areas with a higher concentration of agricultural employment. However, this effect varies across businesses and individual labours depending on individual circumstances and decisions.
3. **Training and skills:** Uprating minimum wages throughout the grade structure and for all categories of workers, including apprentices, will provide greater incentives for workers to acquire skills and progress through the grade system. Compared to other industries, as the AWO 2019 minimum wage rates are generally higher than NMW and NLW, it maintains a privilege rate that is not universally enjoyed by other sectors than agriculture. This should help to retain the employment and skills within the agricultural industry. Option 2 would increase wages for all grades in line with previous arrangements under the AWO 2018. It is reasonable to conclude that Option 2 could be more likely to support up skilling within the sector, as well as potentially having a positive impact on efficiency. However, this up skilling benefit is more related to the grade structure itself rather than the pay rates and also depends on the ability of the businesses to pay for further training after the increase in labour costs.

In conclusion, Option 2 provides an established and previously accepted approach to the setting of minimum wages and other aspects of the employment relationship. With wage rates increasing and linked to NMW (for Grade 1 and 2 workers), the AWO 2019 will benefit the waged workforce in terms of increasing earnings and supporting further up skilling within the industry. However, this up skilling benefit is more related to the grade structure itself rather than the pay rates and may be offset to some extent by the pressure from increases in labour costs for farm businesses.

APPENDIX A: Supporting Calculations for Cost and Benefit Estimates

1. Employment Data

Table 7: Persons engaged in work on agricultural holdings, Wales (2016)

Type of Labour		Number of people
Total farmers, partners, directors and spouses: (a)		
	Full-time	18,300
	Part-time (b)	21,000
	Total	39,300
Farm workers:		
	Regular full-time (c)	3,600*
	Regular part-time (b) (c)	3,500*
	Seasonal or casual workers	5,800*
	Total farm workers	12,900
Total labour force		52,200

Source: Welsh Government, Welsh Agricultural Statistics, 2018 [online] <http://gov.wales/statistics-and-research/welsh-agricultural-statistics/?lang=en>

Note:

(a) Figures are for main and minor holdings.

(b) Part-time defined as less than 39 hours per week.

(c) Includes salaried managers.

* Calculated based on percentage composition of different types of workers in 2016.

2. Earnings

Table 8: Persons engaged in work on agricultural holdings, Wales (2018)

	Type of labour	No. of people	% composition
Full-time	Regular full-time farm workers*	3,600	28%
Part-time	Regular part-time farm workers	3,500	27%
Casual	Seasonal or casual workers	5,800	45%
Total waged labour force		12,900	100%

Note:

Source: Figures for farm workers by type are from Welsh Government, Welsh Agricultural Statistics are not available for 2018 but estimated base on 2016 figures on composition by type [online] <http://gov.wales/statistics-and-research/welsh-agricultural-statistics/?lang=en>.

Number of workers in each category are calculated based on total no. of workers in 2018 and composition by type of workers in 2016.

Table 9: Profile of workers at each AWO grade (average %), UK (2007-2010)

Grade	Full-time	Part-time (a)	Casual
Grade 1	6%	14%	39%
Grade 2	39%	63%	61%
Grade 3	9%	7%	
Grade 4	30%	11%	
Grade 5	11%	3%	
Grade 6	5%	1%	

Source: Defra Farm Labour and Wage Statistics, 2012. [online] <http://webarchive.nationalarchives.gov.uk/20130123162956/http://www.defra.gov.uk/statistics/files/defra-stats-foodfarm-farmmanage-earnings-labour2012-120627.pdf> , Table 12 on p.13.

Note: (a) Totals do not sum to 100% due to rounding.

Table 10 combines data from Table 8 and Table 9 to provide rough estimates of the number of full time, part-time and casual staff within each grade in Wales using employment data for year 2018.

Table 10: Number of workers at each AWO grade, estimated for Wales 2018(a)

Grade	Full-time	Part-time	Casual
Grade 1	216	490	2,262
Grade 2	1,404	2,205	3,538
Grade 3	324	245	
Grade 4	1,080	385	
Grade 5	396	105	
Grade 6	180	35	
Total	3,600	3,465	5,800

Note: (a) Totals do not add up to 12,900 due to rounding in Table 9.

Table 11 provides Defra's estimates of the average hours worked by full time, part-time and casual staff.

Table 11: Hours worked by worker type per week, UK, 2003 to 2010 average

Worker type	Total hours worked	Basic hours	Overtime hours
full time (a)	42.5	36.3	6.2
part time (b)	17.2	17.2	0
Casual (c)	29.4	26.5	2.9

Source: (a) and (b) Total no. of hours worked are based on estimates from Brookdale Consulting Report to the Welsh Government. Agriculture in Wales: Welsh Labour Market Information. Basic and overtime hours are estimated based on total no. of hours and split between basic and overtime hours from the Defra (2012) Farm Labour and Wage Statistics.. (c) Defra Farm Labour and Wage Statistics, 2012. [online] <http://webarchive.nationalarchives.gov.uk/20130123162956/http://www.defra.gov.uk/statistics/files/defra-stats-foodfarm-farmmanage-earnings-labour2012-120627.pdf> , Table 10 on p.12.

Note: (b) Assumed that part-time workers do not work overtime.

Table 13 summarises the number of weeks that each type of workers worked per year.

Table 12: Number of weeks worked per year by different type of employment

Worker type	No. of weeks worked at Basic hours	No. of weeks worked at overtime hours
full time	52	47.6
part time (a)	52	49.2
Casual	10	10

Source: Defra Farm Labour and Wage Statistics, 2012. [online] <http://webarchive.nationalarchives.gov.uk/20130123162956/http://www.defra.gov.uk/statistics/files/defra-stats-foodfarm-farmmanage-earnings-labour2012-120627.pdf>, Table 39 on p.36.

Table 13 provides the agricultural minimum wages set in the AWO 2018 and 2019 for the agricultural industry and the increases in wage rates by grade for both basic and overtime pay.

Table 13: AWO hourly pay rates, 2018 and 2019

Grade or category of worker	Basic pay 2019	Basic pay 2018	Basic pay increase	Overtime pay increase*
Grade 1 work (aged 25+)	£8.21	£8.21**	£0.16	£0.24
Grade 2 worker	£8.45	£8.29	£0.16	£0.24
Grade 3 worker	£8.70	£8.54	£0.20	£0.30
Grade 4 worker	£9.36	£9.16	£0.18	£0.27
Grade 5 worker	£9.88	£9.70	£0.16	£0.24
Grade 6 worker	£10.64	£10.48	£0.16	£0.24

Source: UK Government, Agricultural Workers' Rights [online] <https://www.gov.uk/agricultural-workers-rights/pay-and-overtime>

Note: * Overtime pay levels are set at 1.5 times of basic rates.

** The rates set at NLW levels from April 2019.

Table 14 combines data in Table 8, Table 10-Table 13 to provide a rough estimate of the additional labour costs per year for Option 2 relative to Option 1 in Wales across all grades for full time, part time and casual workers. The calculations for the additional wages costs were based on the number of workers in each grade by type (full time, part time and casual) multiplied by the increase per hour for the respective grades, the number of hours worked per week and the number of weeks worked per year.

Table 14: Additional labour costs per year for Option 2.

Grade	Full-time (£)		Part-time(£)		Casual (£)		Total (£)
	Basic	Overtime	Basic	Overtime	Basic	Overtime	
1	0	0	0	0	0	0	0
2	427,535	99,444	315,544	0	150,011	24,624	1,017,158
3	98,662	22,949	35,060	0	0	0	156,671
4	411,091	95,619	68,869	0	0	0	575,579
5	135,660	31,554	16,904	0	0	0	184,118
6	188,417	43,825	17,217	0	0	0	249,459
Total (£)	1,261,365	293,391	453,595	0	150,011	24,624	2,182,986

APPENDIX B: Calculations of Employment Effect

Wage elasticity of supply is the grade of influence on the supply of labour caused by a change of wages.

The formula for wage elasticity is: Wage elasticity = change of supply of labour in percentage / change of wage in percentage.

Therefore:

- Change of supply of labour in percentage = wage elasticity * change of wage in percentage;
- Absolute change in labour supply = number of workers * change of supply of labour in percentage (i.e. wage elasticity * change of wage in percentage)

Table 15: Change in labour supply assuming wage elasticity=-0.19

	No. of workers (a)	Wage elasticity (b)	Change of wage in % (c)	Absolute changes in no, of workers (d) (d=a*b*c)
Grade 1 workers	2,968	-0.19	4.00%	-23
Grade 2 workers	7,147	-0.19	6.00%	-81
Grade 3-6 workers	2,750	-0.19	4.00%	-21
Total	-	-	-	-125

Table 16: Change in labour supply assuming wage elasticity=-0.03

	No. of workers (a)	Wage elasticity (b)	Change of wage in % (c)	Absolute changes in no, of workers (d) (d=a*b*c)
Grade 1 workers	2,968	-0.03	4.00%	-4
Grade 2 workers	7,147	-0.03	6.00%	-13
Grade 3-6 workers	2,750	-0.03	4.00%	-3
Total	-	-	-	-20

APPENDIX C: The Competition Assessment

Answers to the competition filter test

The competition filter test	
Question	Answer yes or no
Q1: In the market(s) affected by the new regulation, does any firm have more than 10% market share?	No
Q2: In the market(s) affected by the new regulation, does any firm have more than 20% market share?	No
Q3: In the market(s) affected by the new regulation, do the largest three firms together have at least 50% market share?	No
Q4: Would the costs of the regulation affect some firms substantially more than others?	No
Q5: Is the regulation likely to affect the market structure, changing the number or size of businesses/organisation?	No
Q6: Would the regulation lead to higher set-up costs for new or potential suppliers that existing suppliers do not have to meet?	No
Q7: Would the regulation lead to higher ongoing costs for new or potential suppliers that existing suppliers do not have to meet?	No
Q8: Is the sector characterised by rapid technological change?	No
Q9: Would the regulation restrict the ability of suppliers to choose the price, quality, range or location of their products?	No

Appendix D - The Panel's consultation letter

Agricultural Advisory Panel for Wales

Dear Consultee

The Agricultural Advisory Panel for Wales was established under The Agricultural Sector (Wales) Act 2014. One of its key responsibilities is "to prepare agricultural wages orders in draft, consulting on such orders and submitting them to Ministers for approval".

As Chair of the Panel I am writing to ask for your views on the Panel's proposed changes to the terms and conditions for agricultural workers, to be included in the Agricultural Wages Order 2019. These proposals were made at the Panel's meeting on 4 September and are listed below.

1. Rates of Pay

The Panel proposes that the minimum rates of pay for agricultural workers should be increased as follows:

Grade	Current Rate £ per hour	Proposed Rate £ per Hour
Grade 1 under 16	£3.47	£3.54
Grade 1 16-24	£7.38	£7.52
Grade 1 25 +	£7.83	£7.98
Grade 2	£8.29	£8.45
Grade 3	£8.54	£8.70
Grade 4	£9.16	£9.36
Grade 5	£9.70	£9.88
Grade 6	£10.48	£10.64

Other allowances:

	Current	Proposed	
Dog Allowance	£8.02	£8.17	Per Dog per Week
Night Time Work Allowance	£1.52	£1.55	Per Hour of Night Work
Birth / Adoption Allowance	£63.09	£64.29	For Each Child

2. Other Proposed Changes

The first is a clarification rather than a policy change and the second is needed to ensure compliance with existing employment law:

a. The removal of Paragraph 11(b) of the Agriculture Wages (Wales) Order; Under Article 11 of the Agricultural Wages (Wales) Order 2018 an apprentice is defined as follows:

11.—(1) An agricultural worker is an apprentice employed under an apprenticeship if—

(a) they are employed under either a contract of apprenticeship, an apprenticeship agreement within the meaning of section 32 of the Apprenticeships, Skills, Children and Learning Act 2009(1) or

are treated as employed under a contract of apprenticeship; **and**

(b) they are within the first 12 months after the commencement of that employment under 19 years of age.

(2) An agricultural worker must be treated as employed under a contract of apprenticeship if they are engaged in Wales under Government arrangements known as Foundation Apprenticeships, Apprenticeships or Higher Apprenticeships.

In this article “Government arrangements” means arrangements made under section 2 of the Employment and Training Act 1973(1) or under section 17B of the Jobseekers Act 1995(2).

The Panel considers that this definition is misleading, as an apprentice does not need to be under 19 years of age. This age reference relates to when under the National Minimum Wage (NMW) legislation an apprentice would be entitled to the apprenticeship rate of NMW. This is not relevant to agricultural workers as the Agricultural Wages Order sets prescribed rates for agricultural apprentices.

The Panel considers that this issue can be clarified by removing clause 11(b) (the wording highlighted in bold and italics above).

b. Amendment of the term ‘qualifying days’ in relation to annual leave provision

The Panel considers that the current definition of “qualifying days” which is used in the Agricultural Wages Order to calculate annual leave entitlement could be interpreted in a way which could be detrimental to agricultural workers who are taking annual leave, bereavement leave or statutory family leave (e.g. maternity, paternity, shared parental or adoption leave). The definition of “qualifying days” in the Agricultural Wages (Wales) Order is as follows:

“qualifying days” means days on which the agricultural worker would normally be required to be available for work apart from days on which the agricultural worker-

(a) Was taking annual leave;

(b) Was taking bereavement leave; or

(c) Was taking statutory maternity, paternity or adoption leave.

This definition could be interpreted to mean “qualifying days” *do not* include days on which annual leave, bereavement leave or family leave is taken. Agricultural workers are entitled to accrue holiday whilst taking annual leave, bereavement leave or statutory family leave. Such an interpretation therefore could result in a detriment for agricultural workers. Agricultural workers are also entitled to accrue holiday whilst on a period of sickness.

The Panel therefore wishes to clarify the definition of qualifying days to ensure that qualifying days **includes** days on which agricultural workers are taking annual leave, bereavement leave, family leave or on periods of sickness absence.

The Panel proposes amending the definition of qualifying days as follows:

“qualifying days” means days on which the agricultural worker would normally be required to be available for work including days on which the agricultural worker-

(a) was taking annual leave;

(b) was taking bereavement leave;

(c) was taking statutory maternity, paternity, shared parental or adoption leave; or
(d) was on a period of sickness absence.

I should be grateful for your comments on these proposals before **26 October** so that the Panel may submit our advice to Ministers as required by the Agricultural Sector (Wales) Act 2014.

The responses to this consultation will be made publicly available. Should you wish to remain anonymous, please indicate this within your response. Thank you in advance for your input.

Please respond to the Panel Manager in writing at the address below or by email to: Ryan.Davies@gov.wales

Ryan Davies
Agricultural Advisory Panel Manager
Welsh Government
Spa Road East
Llandrindod Wells
Powys
LD1 5HA
Yours sincerely
Lionel Walford
Chair
Agricultural Advisory Panel for Wales

Yours sincerely

Lionel Walford
Chair
Agricultural Advisory Panel for Wales

CONSULTATION DISTRIBUTION LIST

Race / Equality

British Pakistan Foundation
Diverse Cymru
NWREN
CTP International
BENNW - Black Environment
Network

BVSNW
SEWREC
Race Equality First
Race Council Cymru
Gofal Cymru

Religion

Muslim Council of Wales
The Jewish Leadership Council
Cafod
Baha'i Council in Wales
British Humanist Association

The Interfaith Council for Wales
CYTUN
The Church in Wales
Welsh Refugee Council
Evangelical Alliance Wales

Welsh Language

Merched Y Wawr

Welsh Language Commissioner

Youth Children's Rights

Campaign for the Children & Young
People Assembly
National Youth Agency

Youth United Foundation

YFC Wales

UK Youth

Council for Wales Voluntary Youth
Services

Wales Council for Voluntary Youth
Action

Plant yng Nghymru - Children in
Wales

Childrens Commissioner Wales

Learning Disability Wales

British Youth Council

Action for Children

Businesses

Associated British Ports

BAM Nuttall Ltd

Canal and Rivers Trust

Clee Tompkinson and Francis

Common Vision

Community Land Advice

Crown Estate

DM Property Consultants

EH Law

Ffos Las Racecourse

Freightliner

Landscape Institute

Atkins Global

British Water

Chartered Institute of Housing

Coal Authority

Community Housing Cymru

Constructing Excellence in Wales

Denbighshire County Council

Dwr Cymru

Energy Savings Trust

Fjord Horse

Friends of the Earth Cymru

Llanishen Reservoir Action Group

Lloyds Bank PLC
Mineral Products Association
National Sewerage Association
RICS Wales
Scottish Government
The Oil Specialists
United Utilities
Welsh Local Government
Association
Coleg Cambria

IOSH
TCS Management

Mid & West Wales Fire and Rescue
Service
MOD
OFTEC
Royal Town Planning Institute
Seven Rivers Trust
Tir Enterprises
University of Bangor
Coleg Sir Gar

Edward Perkins Chartered
Surveyors
Trades Union Congress Cymru
Country Land & Business
Association

Disabilities

Disability Wales
All Wales People First

British Deaf Association Wales
British Dyslexia Association
Communication Matters
Employers Forum on Disability

Epilepsy Wales
Mind Cymru
Wales Council for Deaf People
Disability Arts Cymru
Mencap Cymru

North Wales Deaf Association

Action on Hearing Loss
Cardiff & Vale Coalition of Disabled
People
Leonard Cheshire Trust
Disability Advice Project (Torfaen)
Disability Powys
Equality and Human Rights
Commission
Wales Council for the Blind
North Wales Deaf Association
Swansea Disability Forum
Gofal Cymru
National Deaf Childrens Society
Wales
RNIB

Gender / Sexuality

LGBT Consortium
Unique Transgender Network
Unity Group Wales

A:Gender
Stonewall Cymru

Women

Career Women Wales
UNIFEM in Wales
Mewn Cymru
Welsh Women's Aid
Women on Boards
Women in Wales
Network She
Wales Women in Agriculture Forum
Women's Engineering Society

Chwarae Teg
BAWSO
Welsh Assembly of Women
Women Connect First
WEN Wales
Womens Food and Farming Union
Women in Property
WiRE (Women in Rural Enterprise)

Wales Resource Centre for Women in Science, Engineering & Technology

Elderly

Age Cymru
Older Peoples Commissioner for
Wales

Age Concern Cardiff

Poverty

Joseph Rowntree Foundation
Bevan Foundation

Low Pay Commission
National Energy Action Wales

General

Workplace Report Magazine
Oxfam Cymru
Participation Cymru
WRAP Wellness Recovery Action
Plan
Equality and Human Rights
Commission
British Red Cross South Wales
BTCV
Carers Wales / Cynhalwyr Cymru

CATCH-UP
CCF - Cardiff Communities First
MENFA - Mentoring for All
LDW - Learning Disability Wales

Journey - Depression Alliance
Cymru
Duffryn Community Link
SOVA

Agriculture

Aberdeen Angus Cattle Society
Agricultural Business
Archaeological Trust
Brecknock Wildlife Trust
British Blonde Society
British Limousin Cattle Society
British Veterinarian Association
BWW Management Planner Forum
CADW

Carmarthen Bay and Estuaries
CBI

Celtic Ecology
CLA

Cynnal Cymru
Dartmoor Society
Dairy Development Centre (DDC)
Defra
Dyfi Biosphere
Eryri National Park
Forest Research

ADAS
APHA
Association of National Parks
Brecon Beacons National Park
British Blue Cattle Society
British Simmental Cattle Society
Brown Swiss Cattle Society
CAAV
Campaign for the Protection of Rural
Wales
Carmarthen Rivers Trust
CCFG (Continious Cover Forestry
Group)
Centre for Alternative Technology
Coastal Zone and Marine
Environment Research Unit
DARDNI
Dairy Co
Dairy Strategy Group
Dept for BIS
Elan Valley Trust
Farming and Countryside Education
Future Farmers

FUW
Horticulture Wales
Hybu Cig Cymru/Meat Promotion
Wales
Institute of Chartered Foresters
Lantra
Menter a Busnes
National Beef Association
National Trust
NFU
NPTC College Group
Pembrokeshire Coast
PINS
RHSMR Mottershead
RWAS
Sustainable Farming Consultant
Unite the Union Wales
Wales Environment Link
Water Regulations Advisory Service
Wales Tourism Alliance
Welsh Black Cattle Society
West Wales European Centre
Wildlife Trusts Wales
WWF Cymru
Whittingham Riddell
Farmers Welsh Lavender Ltd

FWAG
HSBC Agriculture
IBERS

LANDEX
Llais Y Goedwig
Menter Mon
Natural Resources Wales
NFU Cymru
NFU Mutual Senior Agent
OCW
Pembrokeshire NPA
Powys County Council
RSPB
Santander
TFA
Visit Wales
Wales Wildlife and Countryside Trust
Wales Rural Observatory
Watts and Morgan
Welsh Lamb and Beef Promotions
Wildfowl and Wetlands Trust
WLGA
Wye and Usk Foundation
Lusitanos