# WRITTEN STATEMENT

# BY

# THE WELSH GOVERNMENT

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| **TITLE**  | **Sustainable Farming Scheme (SFS) – Proposed Scheme Outline (2024)** |
| **DATE**  | **25 November 2024** |
| **BY** | **Huw Irranca-Davies MS, Deputy First Minister and Cabinet Secretary for Climate Change and Rural Affairs** |

On the 14 November I notified Senedd Members that I would be making an announcement on the progress we have made with the development of the [Sustainable Farming Scheme (SFS)](https://www.gov.wales/sustainable-farming-scheme-proposed-scheme-outline-2024).

As outlined in my previous statement I have been listening to feedback and working closely with farmers, environment groups and a wide variety of other interests through the Ministerial Roundtable, to get to this stage.

I am extremely grateful for the immense effort that has been made by all involved. I am now pleased to be able to publish a revised Scheme Outline today. This sets out the significant progress we have made through collaboration with the Roundtable.

Whilst the progress we have made collectively is significant, this is not the final Scheme. The Roundtable has agreed that the Scheme Outline published today will be used to undertake an updated economic analysis and impact assessment over the coming months to determine impacts on a range of agricultural, environmental and social aspects.

The changes made address the needs of Welsh farmers, while meeting the Sustainable Land Management objectives set out in legislation, including supporting the ongoing sustainable production of food, as well as our climate change and nature commitments.

We have retained the framework of a Universal layer for all, with additional Optional and Collaborative Actions for those who choose to do more.

Based on feedback, we have made significant changes to the majority of the Universal Actions to ensure they are appropriate, achievable and recognise existing good practice on farms. These changes mean we have reduced the number of Universal Actions from 17 to 12.

An important Scheme change is that we have merged the Animal Health, Welfare and Biosecurity actions into a single simplified Universal Action to focus discussions with the farm vet on improved animal health and welfare outcomes. We have also moved the requirement for all farms to have wash stations to an Optional Action, recognising that the biosecurity need of individual farms can be very different.

Given the importance of the Scheme in tackling the climate and nature emergencies, we have maintained a requirement for farmers to manage at least 10% of their farm as habitat. In order to support farmers to meet this requirement, we are considering additional options to create temporary habitat. These should be suitable for all farming systems and land ownership. For example, I believe it would be unreasonable for a landlord to deny a tenant access to the SFS on the basis of including a temporary habitat within an ongoing crop rotation.

The management of existing wildlife ponds will be merged with the existing habitat maintenance Universal Action and will count towards the 10%. We have moved the creation of additional scrapes to an Optional Action.

Having considered a range of evidence from experts and scientific papers, the [Executive Summary of the Carbon Sequestration Evidence Review Panel’s (Carbon Panel) findings](https://www.gov.wales/sustainable-farming-scheme-carbon-sequestration-evidence-review-panel-summary-report) has been published alongside the Scheme Outline. The Summary provides a wide-ranging science and evidence-led foundation to inform the Roundtable discussions. Many of the Panel’s recommendations on the Universal Actions have already been incorporated into the Scheme Outline and we will continue to develop a range of Optional actions related to carbon sequestration for farmers to consider.

On tree planting and hedgerow creation, we have listened carefully to the range of views expressed, including by the Carbon Panel. We have developed a proposal with the Roundtable that we consider will better deliver our carbon and nature objectives. The intention is to work collaboratively with farmers to make the most of opportunities for planting and managing additional trees and hedgerows in a way that benefits their farming business, for example in providing shade for livestock and crops, protecting soils and reducing run off.

The farm-level figure for tree cover has been removed and will be replaced by a scheme-wide target, which we will agree after discussions with the Ministerial Roundtable, and a new Universal Action for a tree planting and hedgerow creation opportunity plan. We will set up a governance mechanism, which will include the farming industry and environmental stakeholders, to work collaboratively to deliver the scheme-wide targets.

Farmers who apply for the Scheme will be able to decide where they would like to add more trees / hedges on their farm, how many and if appropriate get funding to support them through the Optional Layer of the Scheme. We propose farmers will complete the opportunity plan for their farm in the first year they enter the Scheme and will need to demonstrate progress towards implementing the plan by the end of the 2030 Scheme year. We intend to make this a straightforward process so farmers will not need professional forestry guidance, but we will ensure there is expert advice to help farmers decide where best to plant. The approach will be very flexible and we will provide support for a wide variety of actions including planting woodland areas, shelterbelts, silvopasture (otherwise known as agroforestry), orchards, individual trees and new hedgerows.

In line with the Carbon Panel’s recommendations, we will be making Optional Actions available for other carbon sequestration actions.

The Actions and their administration have been streamlined to operate through RPW Online as efficiently as possible and provide opportunity for existing, new and young farmers.

We have set out in the Scheme Outline how we propose to work out the Universal Payment. As well as costs incurred and income forgone, we confirm our intention to include a social value to this payment. This will represent the wider benefits to society which come from a sustainable agricultural industry. We will publish the payment rates with the final Scheme.

Other changes include taking account of Sites of Special Scientific Interest (SSSIs) and common land rights in the Universal Payment. Further support for both will also be available as Optional and Collaborative Actions.

The Ministerial Roundtable and Officials Working Group will continue to review additional detail of the Actions, scheme requirements and administrative processes in the coming months.

I intend to make final Scheme decisions next summer, based on these further discussions at the Ministerial Roundtable and evidence including the economic analysis and impact assessment. This will be earliest opportunity we will have to provide details of the payment rates.

I remain committed to listening to and working with our stakeholders to ensure the final Scheme we deliver in 2026 is a Scheme that will help support the economic resilience of farming businesses, the sustainable production of food, our climate and nature objectives and our rural communities for current and future generations.

I believe the changes set out today to the Scheme Outline will make the Scheme available to all farmers who wish to participate and strengthen the Scheme’s contribution to our climate and nature commitments.