

AGRICULTURE (WALES) ACT 2023

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 1 – Sustainable Land Management

The objectives

14. This Part of the Act sets out four SLM objectives and imposes a duty on the Welsh Ministers to exercise certain functions in the way they consider best contributes to achieving those objectives. The objective is to ensure that the agricultural sector in Wales produces food and other goods in a way which is sustainable, responds to the climate and nature emergencies, conserves and enhances the countryside and cultural resources and promotes public access to them, and also promotes and facilitates use of the Welsh language.
15. A feature of each of the objectives is the intention to meet the needs of the present without compromising the ability of future generations to meet their needs – something that mirrors the “sustainable development principle” in section 5 of the Well-being of Future Generations (Wales) Act 2015. In addition, each objective is intended to complement the well-being goals in section 4 of that Act, designed to improve the economic, social, environmental and cultural well-being of Wales.
16. The SLM framework, consisting of the SLM objectives and SLM duty, has been developed through a comprehensive consultation process documented in *Brexit and our Land*¹, *Sustainable Farming and our Land*², and the *Agriculture (Wales) Bill White Paper*³. They are also in line with international programmes and initiatives such as the UN’s “Decade on Ecosystem Restoration 2021-2030”, declared on 1 March 2019.

Section 1 – The sustainable land management objectives

17. **Section 1** establishes four SLM objectives.
18. Subsection (2) provides that the first objective is to produce food and other goods in a sustainable manner. In practice, this is likely to require a focus on producing food and other goods in a way that is environmentally, economically and socially sustainable, that promotes high standards of animal health and welfare and that safeguards the ability of future generations to do the same.
19. Subsection (6) provides that for the purposes of the first objective, factors relevant to whether food and other goods are produced in a sustainable manner include, among other things, the resilience of agricultural businesses within the communities in which they operate and their contribution to the local economy.
20. Subsection (3) provides that the second objective is to mitigate and adapt to climate change.

¹ [Brexit and our land - securing the future of Welsh farming \(gov.wales\)](#) (2018)

² [Sustainable Farming and our land \(gov.wales\)](#) (2019)

³ [Agriculture \(Wales\) White Paper \(gov.wales\)](#) (2020)

21. Mitigating climate change is likely to involve reducing climate change through the reduction of operational and embedded greenhouse gas emissions as well as maintaining and increasing the capacity of agricultural land to drawdown and sequester carbon. Operational emissions are those emitted through the carrying out of an action, and embedded emissions are those emitted by a product or material in its production and transportation (e.g. emissions from the production of fertiliser).
22. Adapting to climate change is likely to involve taking action to minimise the effects of climate change. These actions may include, for example, changes in practice to ensure the continued production of food and other goods, natural flood management measures and the use of trees to provide shade.
23. Subsection (4) provides that the third objective is to maintain and enhance the resilience of ecosystems and the benefits they provide. Maintaining ecosystem resilience may require active management of ecosystems and actions to prevent degradation. Enhancing ecosystem resilience may require, for example, measures such as habitat creation and changes in practice (e.g. actions relating to water quality).
24. Subsection (7) describes specific factors that (among others) are relevant to the resilience of ecosystems for the purposes of the third objective. Resilient ecosystems, for example, may be more biodiverse, which can help to slow and reverse biodiversity decline, and more adaptive to change, including the effects of climate change.
25. The benefits provided by resilient ecosystems can include, for example, clean air, clean water, enhanced carbon storage, improved soil health and the increased presence and effectiveness of pollinators.
26. Subsection (5) provides that the fourth objective is to conserve and enhance the countryside and cultural resources and promote public access to and engagement with them, and to sustain the Welsh language and promote and facilitate its use.
27. The fourth objective is about protecting, maintaining and improving cultural resources and the countryside, and promoting access and engagement with them. The countryside includes, for example, farmland and woodland, as well as the beauty of the natural environment. Cultural resources may include, for example, historic sites and buildings. This objective is also about sustaining the Welsh language, for example by supporting the people and communities that use the Welsh language, as well as promoting and facilitating the use of the Welsh language so as to raise awareness and opportunities for its use and proliferation.
28. Subsection (8) defines ‘cultural resources’ for the purposes of the fourth objective.

The duty

Section 2 - Welsh Ministers’ duty in relation to the objectives

29. **Section 2 (1)** requires the Welsh Ministers to exercise certain of their functions in the way they consider best contributes to achieving the sustainable land management objectives, so far as consistent with the proper exercise of the function.
30. In order to comply with this duty, the Welsh Ministers will need to consider all four SLM objectives when they are exercising a function to which the duty applies and will then need to exercise the function in the way they consider best contributes to achieving those objectives (taken together), so far as consistent with the proper exercise of the function. The SLM objectives are intended to be complementary, and, in some cases, this will mean that action can be taken that contributes to all of the objectives, though not necessarily equally. In other cases, this may not be possible, for example, where the exercise of a particular function has no effect in respect of one or more of the objectives.
31. In each case, the Welsh Ministers will be required to exercise relevant functions in the way they consider best contributes to the objectives (so far as consistent with the proper

exercise of the function). This means that where there is more than one option for the Welsh Ministers, they will be required to choose the option that they consider is most beneficial in terms of its contribution to achieving the SLM objectives.

32. The Welsh Ministers' functions to which the duty applies are specified in subsection (2) and (3) and are subject to the exceptions at section 3.
33. Subsection (2) provides that the functions to which the duty applies are:
 - functions under this Act (section 2(2)(a));
 - functions under any other enactment that require or allow the Welsh Ministers to provide support for (i) agriculture, or other activities carried out on land used for agriculture, or (ii) ancillary activities (section 2(2)(b));
 - functions under any other enactment that require or allow the Welsh Ministers to regulate (i) agriculture, or other activities carried out on land used for agriculture, or (ii) ancillary activities (section 2(2)(c)).
34. Subsection (3) provides that that the SLM duty applies to the functions referred to in subsections (2)(b) and (2)(c) only to the extent that those functions are exercised to provide support for, or to regulate, (a) agriculture, or other activities carried out on land used for agriculture, or (b) ancillary activities (and not, therefore, to the extent that those functions are exercised for some other purpose).
35. "Agriculture" is defined at section 51; "ancillary activity" is defined at section 52; and "functions" is defined at section 54.
36. Other activities carried out on land used for agriculture may include, for example, leisure activities or events where the main use of land remains primarily agricultural e.g. activities or events held for only a specific number of days in any given year.

Section 3 - Exceptions from the duty in section 2

37. **Section 3** provides that the duty in section 2 does not apply to the functions listed at paragraphs (a) to (f).
38. The functions excepted relate principally to the basic payment scheme, including consequential and transitional provision relating to the basic payment scheme and the common agricultural policy. The basic payment scheme is a universal income support system that does not contribute to the achievement of the SLM objectives.

Monitoring and reporting

39. The monitoring and reporting provisions place requirements on Welsh Ministers to monitor and report on the progress made towards achieving the SLM objectives. The provisions detail the requirement to set indicators and targets, as well as to prepare a report. The reporting and monitoring provisions make provision for scrutiny and engagement with stakeholders and the Senedd. They also act to provide an on-going evidence base for the support of future policy trends and best practice to be identified.

Section 4 – Sustainable Land Management indicators and targets

40. **Section 4** requires the Welsh Ministers to prepare and publish indicators and targets to measure progress towards achieving the SLM objectives through the exercise of the functions to which the duty in section 2 applies.
41. Subsection (1) requires the Welsh Ministers to prepare a statement which sets out indicators that are to be applied to measure progress towards achieving the SLM objectives through the exercise of the functions to which the duty in section 2 applies, and targets in relation to those indicators.

42. Indicators will provide metrics by means of which the contribution of an action to the SLM objectives can be measured. Targets will set out the desired level of progress against the metric a specific indicator details.
43. For example, the third objective (“maintain and enhance the resilience of ecosystems and the benefits they provide.”) may be addressed by several indicators, one of which could be a decrease in the levels of pollutants in rivers downstream of agricultural and ancillary activities. A specific target would then be set against that indicator and both the indicator and target would be reported against in the SLM report prepared under section 6.
44. Subsection (2) provides that the statement must contain, as a minimum, at least one distinct indicator for each SLM objective, and at least one distinct target relating to at least one distinct indicator for each SLM objective. This is to ensure accurate and effective accounting of progress.
45. Subsection (3) to (5) provides that the statement may also set out further indicators (each of which may be for one SLM objective or more than one), and further targets (each of which may relate to one indicator, whether set under subsection (2) or subsection (3), or to more than one).
46. Subsection (6) provides that an indicator or target may relate to Wales or any part of Wales.
47. Subsection (7) provides that a target may be set by reference to any period that the Welsh Ministers consider appropriate.
48. Subsection (8) provides that the statement must be published and laid before Senedd Cymru by the Welsh Ministers no later than 31 December 2025.
49. Subsection (9) provides that the Welsh Ministers may review and revise the statement at any time and subsection (10) provides that subsections (2) to (8) apply in relation to a revised statement as they apply to the original statement.
50. Subsection (11) provides that where the Welsh Ministers revise the statement, they must, as soon as reasonably practicable, publish the revised statement and lay it before Senedd Cymru.

Section 5 – Steps to be taken in preparing or revising indicators and targets

51. **Section 5** sets out the steps that must be undertaken in preparing or revising indicators and targets.
52. Subsection (2) requires the Welsh Ministers to have regard to certain reports, policies and other matters when preparing or revising indicators and targets.
53. This seeks to ensure that the SLM monitoring and reporting takes appropriate account of wider sustainability goals, policies and reporting, to the extent that they are relevant.
54. Subsection (3) requires the Welsh Ministers to consult the Future Generations Commissioner for Wales and any other persons they consider appropriate when preparing or revising indicators and targets.

Section 6 – Sustainable Land Management reports

55. **Section 6** requires the Welsh Ministers to prepare and publish SLM reports and details the content and timings of those reports.
56. Subsection (1) requires the Welsh Ministers to prepare a report in relation to each reporting period (as defined by subsection (9)).
57. Subsection (1)(a) provides that the report must set out the Welsh Ministers’ assessment of the cumulative progress made, since section 2 came into force, towards achieving

the SLM objectives through the exercise of the functions to which the duty in section 2 applies.

58. Subsection (1)(b) also requires the report to set out the Welsh Ministers' assessment of the progress made, during the reporting period, towards meeting those objectives through the exercise of those functions.
59. Subsection (2) states that the report must set out, in relation to each indicator in the statement (or revised statement) published under section 4, the progress made in relation to that indicator during the reporting period and how that has contributed to achieving the SLM objectives.
60. Subsection (3) provides that the report must also set out, in relation to each target in the statement (or revised statement), whether the target has been achieved during the reporting period.
61. Subsections (4) to (6) specify the provision the report must make depending on whether during the reporting a period a target has been achieved (subsection (4)), has not been achieved (subsection (5)), or the Welsh Ministers have not yet been able to determine whether a target has been achieved (subsection (6)).
62. Subsection (7) sets out other matters that SLM reports may assess and report on. These may include the key priorities, risks and opportunities in relation to achieving the SLM objectives, and the effect that the progress made towards achieving those objectives has on the achievement of other goals e.g. Wales's net zero 2050 goal.
63. Subsection (8) provides that the Welsh Ministers must, no later than 12 months after the end of each reporting period, publish the report that relates to the reporting period and lay it before the Senedd.
64. Subsection (9) defines the "reporting period" and subsection (10) confers powers on the Welsh Ministers by regulations to amend subsection (9). This regulation making power enables the Welsh Ministers to amend, for example, the length of the reporting period. This power to make regulations is subject to the affirmative resolution procedure (section 50(6) and (7)).

Section 7 – Steps to be taken in preparing reports

65. **Section 7** sets out the reports, policies and other matters that the Welsh Ministers must have regard to in preparing SLM reports. It seeks to ensure that SLM reporting is conducted in the context of wider reporting and sustainability actions undertaken in Wales and that appropriate data is considered in the reporting of progress towards the SLM objectives. It also seeks to encourage a cohesive approach to the reporting, of environmental and other actions across Wales.

Part 2 – Support for Agriculture Etc

Chapter 1 - Welsh Ministers' power to provide support

66. This Chapter confers power on the Welsh Ministers to provide support for or in connection with agriculture in Wales and ancillary activities that take place in Wales. This power enables the Welsh Ministers to provide support, including by means of a support scheme or schemes (and in establishing any such scheme or schemes the Welsh Ministers will need to comply with the SLM duty).
67. The power to provide support, in practice, provides Welsh Ministers with the mechanism to support farmers in producing food and other goods in a sustainable way that is intended to support the Welsh Government's environmental and climate commitments and to further support the well-being of citizens as it relates to agriculture in Wales.

Section 8 - Welsh Ministers' power to provide support

68. **Section 8** provides the Welsh Ministers with the power to provide support for, or in connection with, agriculture and ancillary activities that take place in Wales. Support may be financial, or non-financial, for example the Welsh Ministers might choose to exercise the power to make payment for actions or to provide instructional assistance and advice.
69. **Section 8(2)** sets out a list of (non-exhaustive) purposes for or in connection with which the Welsh Ministers may provide support in Wales. The Welsh Ministers are not constrained by the listed purposes at section 8(2) and may provide support for other purposes, so long as the other purposes are for or in connection with agriculture and/or ancillary activities in Wales. The purposes listed at section 8(2) provide context in terms of the policy aims for which support is envisaged. The purposes support the achievement of the SLM objectives detailed in section 1.
70. The purpose at subsection (2)(a) refers to encouraging the production of food in an environmentally sustainable manner. For example, support might be provided for growing crops in a way that minimises or eradicates the need for artificial fertiliser.
71. The purpose at subsection (2)(b) refers to helping rural communities to thrive, and to strengthening links between agricultural businesses and their communities. For example, support given for this purpose might be aimed at promoting the economic resilience of agricultural businesses through farm diversification and strengthening farm businesses to support and contribute towards thriving rural (local) communities, such as supporting and encouraging an increase in biodiversity or eco system resilience on farms, through collaborative projects such as community orchards, or supporting farm businesses to diversify into direct-to-consumer sales, via meat and / or vegetable boxes.
72. The purpose at subsection (2)(c) refers to improving the resilience of agricultural businesses. Support given for this purposes might be aimed at seeking to attract new entrants to farming and to support succession planning.
73. The purpose at subsection (2)(d) refers to sustaining the Welsh language and promoting and facilitating its use. Support given for this purposes could be aimed at facilitating the use of the Welsh language across all levels of competency and the encouragement of new learners across the agricultural sector.
74. The purpose listed at subsection (2)(e) refers to reducing of emissions of greenhouse gases. For example, support might seek to encourage farms to reduce their greenhouse gas emissions, including through making efficient use of fuel and energy, minimising external inputs and having productive livestock and crops.
75. Subsection (2)(f) sets out the purpose of maximising carbon sequestration and storage. Support given for this purpose could be aimed at creating new and enhancing existing carbon stocks on farms, for example through increasing soil carbon content, restoring peatland, tree and/or hedge planting and farm woodland management.
76. The purpose referred to at subsection (2)(g) is that of maintaining and enhancing the resilience of ecosystems. This could mean supporting a farmer in adopting different farming techniques which avoid negative impacts on, and delivering benefits for, biodiversity, species, and habitats.
77. The purpose listed at subsection (2)(h) is conserving and enhancing landscapes and the historic environment. Support provided for or in connection with this purpose could, for example, look to support farmers in maintaining historical buildings they may have on their land.
78. The purpose at subsection (2)(i) is improving air quality. Support provided for or in connection with this purpose is intended to be aimed at actions which result in

air which has limited pollution (human made particles and harmful gases) including fine particulate matter (PM2.5), ammonia (NH₃) and non-methane volatile organic compounds (NMVOC).

79. Subsection (2)(j) provides for the purpose of improving water quality. The policy aim behind this purpose is to ensure the water environment (including inland water) is sustainably managed to support healthy communities, flourishing businesses and increased biodiversity.
80. The purpose listed at subsection (2)(k) is maintaining and enhancing public access to and engagement with the countryside and the historic environment. Action that could be taken in connection with this purpose could include supporting farmers to upgrade public footpaths to make them more accessible for wheelchair users.
81. Subsection (2)(l) lists the purpose of mitigating flood and drought risks. Support for or in connection with this purpose may be provided, for example, to enable farms to prepare for periods of low or high rainfall, reducing the risks to the farm and communities from flooding and drought including through nature-based flood management.
82. The purpose at subsection (2)(m) is achieving and promoting high standards of animal health and welfare. Support provided for or in connection with this purpose could require/encourage farmers to draw up and action an animal health plan and/or to take actions which improve the well-being of animals such as providing shade or suitable space.
83. Subsection (2)(n) provides for the purpose of maximising resource efficiency. Support provided for or in connection with the purpose, for example, could assist farms in taking a circular economy approach by keeping resources and materials in use for as long as possible and minimising waste.
84. The purposes referred to in subsection (2)(o) is that of encouraging agricultural businesses to manage energy effectively (including by adopting energy efficiency and energy saving practices, and generating renewable energy on their land). Support for or in connection with this purpose may be provided, for example, to encourage agricultural businesses to adopt good energy management plans and generate renewable energy on-site, with a view to this supporting those agricultural businesses to (over time) lower their energy costs, through a range of measures.
85. [Section 8\(3\)](#) provides that support provided under the power to provide support may be provided by way of a scheme, or by other means. For example, through a knowledge transfer and innovation service.
86. Subsection (4) provides the Welsh Ministers with the power to amend the list of purposes by regulations (by adding a new purpose, removing a purpose, or altering the description of a purpose). This might for instance reflect a change in Welsh Government commitments and the SLM objectives. Alternatively, it may be considered that one or more of the purposes are no longer considered necessary and therefore need to be replaced to reflect an updated position.

Section 9 - Further provision about support under section 8

87. [Section 9](#) provides that support provided under the power of support in section 8 may be given financially or otherwise. In practice, the way in which support is given is likely to depend on any number of factors, for example intended outcome and type/number of recipients. Subsection (2) specifies that financial support may be given by way of grants, loans or guarantees, but support may be given in any other form.
88. Subsection (3) provides that eligibility criteria may need to be met in order for a person to be eligible for support. The eligibility criteria will be determined by each individual support scheme established pursuant to section 8.

89. Subsection (4) provides examples of eligibility criteria where support is provided in connection with the use of land. Requirements may, among other things, relate to the characteristics of the land, for example, the ecological features of the land. A requirement may also relate to the person receiving support – for example, someone who is new to farming or someone who wants to diversify from current farming practices on the land.
90. Subsection (5) allows the Welsh Ministers to attach conditions to any support provided: in practice, examples might be proof of action, time frames and contract length.
91. Subsection (6) states that these conditions may include provision for support to be repaid. Interest may be charged on monies that are required to be repaid.
92. Subsection (7) provides that support may be given under section 8 to a person or organisation who has established and/or operates a “third party scheme”. The support must be given in connection with the establishment or operation of that “third party scheme”. This means that support may be provided under section 8 in connection with expenditure incurred by a third party in establishing and operating a scheme, and for funding provided through that scheme. This would enable the Welsh Ministers to fund, for example, local partnerships or other organisations to deliver landscape-based collaborative projects that enhance the historic environment and designated landscape across multiple farms.
93. Subsection (8) provides a definition of “third party scheme” for the purposes of subsection (7): it is a scheme that provides support for or in connection with agriculture or ancillary activities, and which is made by a third party (not the Welsh Ministers).
94. Subsections (9) and (10) enable the Welsh Ministers to delegate functions in relation to giving support including giving guidance or exercising a discretion.

Section 10 - Power to make provision about publication of information about support

95. **Section 10** confers power on the Welsh Ministers to make regulations about the publication of certain information (as specified in the regulations) about support which has been, or is being, supplied under section 8. The information that may be specified in the regulations may include information about the recipient of any support provided, the amount of support provided, and the purposes of any support provided.
96. **Section 10(2)** permits the regulations to impose requirements. So, for instance the regulations could require any person – including the Welsh Ministers – to provide the information stipulated.
97. In policy terms, the publication of information about the provision of support is intended to promote transparency and allow a clear indication of what has been achieved or is required from the support given.

Section 11 – Multi-annual Support Plans

98. **Section 11** requires the Welsh Ministers to prepare a ‘Multi-annual support plan’ (MASP) about the expected use, during the period to which the plan relates, of the powers under section 8.
99. Subsection (2) sets out the information that must be contained within the MASP, including a description of support schemes which are either both operational, or expected to become operational, during the period to which the plan relates.
100. Subsection (3) provides that the period to which the first MASP is to relate is to be five years, beginning with 1 January 2025. Subsection (4) states that subsequent MASPs must relate to periods not shorter than five years.

101. Subsection (5) places a duty on Welsh Ministers to ensure that there is always a MASP in force.
102. Subsection (6) provides that the MASP must be laid before the Senedd in advance of the date in which the plan period commences: in the case of the first MASP as soon as practicable before the plan period, and for subsequent plans, at least 12 months in advance of the beginning of the plan period.
103. Subsections (7) requires the Welsh Ministers to amend a MASP if the information in it ceases to be accurate before the end of the period to which it relates (for instance, where a support scheme is no longer operational or functions within a scheme are no longer supported).
104. Subsection (8) requires the revised MASP to be published and laid before the Senedd.

Section 12 - Power to make provision about checking eligibility for support, etc

105. **Section 12** provides the Welsh Ministers with regulation making powers that may be exercised to make provision about checking whether eligibility criteria for support under section 8 are met and the consequences where they are not, about enforcing compliance with conditions, about monitoring the extent to which the purposes of support have been achieved, and about the investigation of suspected offences. These powers are intended to ensure that agricultural support financed by the Welsh Government is administered correctly and that recipients of support under the power to provide support are subject to appropriate scrutiny and accountability.
106. Subsection (2) provides a non-exhaustive list of types of provision that may be included in any regulations made under subsection (1). Whilst these are considered to be some of the main matters that regulations may need to address, regulations may be made for any of the purposes set out in subsection (1) and the content of any future regulations is not limited to those areas listed in subsection (2).
107. Subsection (2)(f) permits regulations under section 11 to make provision about the recovery of financial support (for instance, the regulations might permit support to be recovered, with interest, where a person has breached a condition).
108. Subsection (2)(h) permits regulations under section 11 to make provision about steps to be taken by a person to whom support is being, or has been, provided, in order to rectify a breach of conditions.
109. Subsection (2)(i) and (j) permits regulations under section 11 to make provision about monetary penalties, including, security for payment.
110. Subsection (2)(k) permits the regulations to make provision about prohibiting a person from receiving support for a specified period, or until specified conditions are satisfied. For instance, the regulations might permit the payment of support to be suspended until a person has rectified a breach.
111. Subsection (2)(l) permits the regulations to make provision for appeals.
112. Subsection (2)(m) permits the regulations to confer functions on a person: this might for instance be used to make provision conferring functions upon a scheme administrator.
113. This may include the requirement of certain action to be taken, to rectify such a breach. Regulations may also make provision for the recovery of monies that have been paid (with or without interest), the suspension of someone from a scheme (for a specified period or until certain conditions have been satisfied) and the imposition of monetary penalties. There is also the power to make regulations conferring functions to others and to provide a procedure for appealing against decisions.

114. Subsection (3) provides that regulations made under section 11 may not authorise entry to a private dwelling (for instance, to check compliance) unless a warrant has been issued by a judicial procedure. (Section 51 defines a "private dwelling".)
115. Subsection (4) provides that, if the regulations make provision for penalties, they may provide for interest on penalties to be payable. The interest may be payable from a day provided for in the regulations themselves, or a day determined (for instance by a scheme administrator) under the regulations.

Section 13 - Annual report about support provided under section 8

116. **Section 13** places a duty on the Welsh Ministers to prepare an annual report, in relation to each reporting period, about the financial and non-financial support provided during the period. Subsection (5) provides that the first reporting period runs from the date on which section 8 comes into force until 31 March 2025; while subsequent reporting periods will be aligned with financial years (1 April to 31 March).
117. Subsection (2) requires certain information to be included within the report. This is the total amount of any financial support provided during the reporting period, details of all financial and non-financial support provided under each support scheme established under section 8, and a description of any support other than financial support provided during the reporting period, but not under a scheme.
118. The Welsh Ministers are able, as set out in subsection (3), to include in the report any other information they consider appropriate. What is considered to be appropriate will depend on the particular circumstances, but an example might be information on any financial support which is being recouped and the reasons for this action.
119. Subsection (4) requires the Welsh Ministers to publish and lay the annual report before Senedd Cymru no later than 12 months after the end of each reporting period.

Section 14 – Impact Report

120. **Section 14** sets out the Welsh Ministers' duty to produce (for each reporting period) an Impact Report in respect of support provided under section 8. The objective behind this is to ensure that every five years there is an evaluation of the impact and effectiveness all support provided during that period pursuant to section 8, including an assessment of how and the extent to which the support has achieved its purposes, and contributed to achieving the SLM objectives.
121. Subsection (2) requires the Impact Report to set out all the purposes for which support has been given under section 8, during the reporting period.
122. Subsection (3) provides that the Impact Report must include an assessment of the impact and effectiveness of support given during the reporting period, including an assessment of: (a) the way in which, and the extent to which, the support has achieved the purposes for which the support was given; and (b) the way in which, and the extent to which, the provision of the support has contributed to achieving the SLM objectives. Setting out the purposes in the way required under subsection (2) aims to highlight the link between support provided and the intended outcome of such support and is aimed at ensuring that the impact and effectiveness of support provided can clearly be measured against the purposes.
123. Subsection (4) provides that the Welsh Ministers may assess and report on any other matters they consider relevant for assessing the impact and effectiveness of support provided during the reporting period. For example, this could include information on whether any actions taken under a support scheme are still suitable, whether they have been achieved; are still in progress; or not actioned, together with any corrective action to remedy the issue. This information may even capture whether the administration of any scheme is fit for purpose.

124. Subsection (5) requires the Welsh Ministers to publish and lay the Impact Report before Senedd Cymru no later than 12 months after the end of each reporting period.
125. Subsection (6) defines the “reporting period” as being, for the first Impact Report, the period from when section 8 comes into force up until 31 December 2029. For subsequent Impact Reports the ‘reporting period’ will be successive periods of five years.
126. Subsection (7) provides the Welsh Ministers with a regulation making power, to amend the reporting period. This may be exercised, for example, in order to align the reporting period with the contract length of schemes under Section 8.

Section 15 - Steps to be taken in preparing report under section 13

127. **Section 15** requires the Welsh Ministers to have regard to certain matters during the preparation of an Impact Report. These include the purposes listed in section 8(2), each annual report that has been published in respect of the period covered by the Impact Report and the most recent Impact Report. The Welsh Ministers are also required to have regard to any other matters which they consider appropriate, reflecting the need for flexibility for each Impact Report to be tailored to any particular circumstances that may be relevant.
128. The intention behind this is to promote a complete and robust evaluation of the impact of support provided under the power to provide support.

Chapter 2 - Powers to modify legislation relating to financial and other support

129. **Chapter 2** confers powers on the Welsh Ministers, in relation to existing legislation, that replace certain time limited powers in the 2020 Act.

Section 16 - Power to modify legislation governing the basic payment scheme

130. **Section 16** provides the Welsh Ministers with the power by regulations to modify legislation governing the basic payment scheme so far as it has effect in relation to Wales. This power is intended to permit the Welsh Ministers to make changes to legislation governing the basic payment scheme, for example in connection with the transition away from payments made under the basic payment scheme and the closing down of the basic payment scheme. The legislation that the Welsh Ministers have the power to modify under this section is listed in subsection (2).

Section 17 - Power to modify legislation relating to the common agricultural policy

131. **Section 17** provides the Welsh Ministers with the power by regulations to modify legislation relating to the financing, management and monitoring of the common agricultural policy so far as it has effect in relation to Wales.
132. This power is intended to enable the Welsh Ministers to make modifications to legislation relating to the financing, management and monitoring of the common agricultural policy, in order to ensure a managed transition. The intention is that this power will be used to provide for the continued operation of existing farming support for a certain period, whilst any new scheme established under section 8 is introduced. This is intended to secure the effective operation of the agricultural sector. The legislation that the Welsh Ministers have the power to modify under this section is listed in subsection (2).

Section 18 - Power to modify legislation relating to support for apiculture

133. The EU’s Apiculture Programme supports beekeeping through the national apiculture programmes, which aim to improve general conditions for the production and marketing of honey and other apiculture products. It covers technical assistance to beekeepers, combatting disease and pests, transhumance, laboratory and market support for

apiculture products, restocking, applied research programmes, market monitoring and enhancement of product quality.

134. **Section 18** provides the Welsh Ministers with the power by regulations to modify legislation relating to apiculture so far as it has effect in relation to Wales. The legislation that the Welsh Ministers have the power to modify under this section is listed in subsection (2).

Section 19 - Power to modify legislation relating to support for rural development

135. **Section 19** provides the Welsh Ministers with the power by regulations to modify legislation relating to support for rural development in so far as it has effect in relation to Wales. The legislation that the Welsh Ministers have the power to modify under this section is listed in subsection (2).

Section 20 - Relationship with other powers to modify legislation

136. This section specifies that any other power under an enactment to modify provisions of legislation governing the basic payment scheme, or relating to the common agricultural policy, apiculture or rural development, is unaffected by the powers conferred in this Chapter.

Chapter 3 - Intervention in agricultural markets

Section 21 - Declaration relating to exceptional market conditions

137. **Section 21** makes provision for circumstances in which the Welsh Ministers may make an “exceptional market conditions” declaration, so as to enable financial support to be given as described in section 21.
138. Subsection (2) sets out a two-part test to determine whether exceptional market conditions exist. Subsection (3) sets out what must be included in an exceptional market conditions declaration.
139. Subsection (5) states that an exceptional market conditions declaration has effect until a date specified in the declaration under subsection (3); the effect of subsection (4) is that this date must be within the period of three months beginning with the day on which the declaration is published.
140. Subsection (6) allows the Welsh Ministers to revoke a declaration made under subsection (1) by making and publishing a further declaration to that effect.
141. Subsections (7) and (8) allow the Welsh Ministers to extend an exceptional market conditions declaration for a period of no more than three months, if within the period of seven days ending with the date originally specified in the declaration under subsection (3), that there continue to be exceptional market conditions.
142. Subsection (9) states that the expiration or revocation of a declaration made under subsection (1) in respect of exceptional market conditions does not prevent the Welsh Ministers from making and publishing another declaration relating to the same exceptional market conditions.
143. Subsection (10) states that a copy of any declaration made and published under the section must be laid before Senedd Cymru as soon as practicable. Subsection (11) sets out that publication of a declaration is to be done electronically.

Section 22 - Exceptional market conditions: powers available to Welsh Ministers

144. This section specifies the powers that are available while a declaration of exceptional market conditions has effect.

145. Subsection (2) provides that the Welsh Ministers may give, or agree to give, financial support to agricultural producers in Wales whose incomes have been, are being, or are likely to be, adversely affected by the exceptional market conditions described in the declaration.
146. The effect of subsection (3) is that the existence of the power under section 22 does not prevent the Welsh Ministers from using any other available powers to provide financial support to agricultural producers, including (but not limited to) powers under retained direct EU legislation. (The effect is that the availability of the section 22 power does not restrict any powers that may also be available to the Welsh Ministers under, for instance, section 8.)
147. Subsection (4) allows financial support to be provided in any form and subsection (5) gives the Welsh Ministers the power to provide it subject to conditions.
148. Subsection (6) states that those conditions may include provision for financial support under section 22 to be repaid. Subsection (7) clarifies that the Welsh Ministers may still provide financial support after a declaration of exceptional markets has ceased to have effect, provided that an application for it was made while the declaration had effect.

Section 23 - Power to modify retained direct EU legislation relating to public market intervention and private storage aid

149. **Section 23** confers on the Welsh Ministers powers to modify retained direct EU legislation relating to public market intervention or aid for private storage, so far as it has effect in relation to Wales.
150. Subsection (2) specifies that the power under this section includes power to change the products eligible for public market intervention or aid for private storage. This could be because of market conditions for a certain product changing, so that there is no longer demand for its storage.
151. The legislation that the Welsh Ministers have the power to modify under this section is listed in subsection (3).
152. Subsection (4) makes provision that relates to the CMO Regulation (defined in section 54). The CMO Regulation relates to markets in agricultural products.
153. Part 2 of Schedule 7 to the 2020 Act disapplies certain provisions of the CMO Regulation, in relation to Wales, for the duration of existing time limited provision about exceptional market conditions in Schedule 5 to the 2020 Act. Since the Act is replacing the time limited provision in Schedule 5, Schedule 3 to the Act amends the CMO Regulation in consequence (in that the amendment made to it by Schedule 7 to the 2020 Act will cease to be appropriate). But since the amendment made by Schedule 7 to the 2020 Act to the CMO Regulation is not yet in force, Schedule 3 provides (in Part 1) alternative consequential amendments to the CMO Regulation.
154. In section 23, subsection (4) states that until either of the consequential amendments in Part 1 of Schedule 3 is in force, references in section 23 to exceptional market conditions include references to circumstances that are the subject of measures under any of Articles 219, 220, 221 and 222 of the CMO Regulation. This is a transitory provision which will no longer have any effect once either paragraph 1 or paragraph 2 of Schedule 3 has been commenced. The effect is to permit flexibility as to the commencement of section 23 and Part 1 of Schedule 3.

Chapter 4 - Agricultural tenancies

Section 24 - Agricultural Holdings: dispute resolution relating to financial support

155. The Agricultural Holdings Act 1986 (at section 19A) confers power on the Welsh Ministers to make regulations that provide for the tenant of an agricultural holding to

be able to refer a dispute with the tenant's landlord to arbitration, where the dispute revolves around a certain type of request made by the tenant, which has been refused by the landlord. The section describes the types of request concerned: this includes a request made for the purpose of enabling the tenant to apply for "relevant financial assistance"

156. **Section 24** amends the definition of "relevant financial assistance" in section 19A of the Agricultural Holdings Act 1986 to encompass financial assistance under section 8, financial assistance under a third party scheme as defined in section 9 (6), financial assistance under the Basic Payment Scheme (BPS), financial assistance under legislation relating to the common agricultural policy, financial assistance under legislation relating to support for apiculture, financial assistance under legislation relating to support for rural development, and financial assistance under section 22. It also makes some consequential amendments.
157. **Section 24** also inserts new sections 8A and 36A into the Agricultural Tenancies Act 1995. Section 8A provides for the tenant of a farm business tenancy to refer a dispute to arbitration where the landlord has refused a request for the variation of the tenancy, or a request for consent, that was made for specified purposes. These purposes are: the purpose of requesting or applying for specified types of support (including support provided under section 8); and the purpose of complying with a statutory duty. Section 8A also provides the Welsh Ministers with a regulation-making power to make provision in connection with such arbitration. Section 24 also makes a consequential amendment to section 28(5) of the 1995 Act, and inserts a new section 36A setting out the procedure applicable to regulations under the new section 8A.
158. These amendments are intended to address the possibility that a landlord's consent, or a variation of the tenancy itself, could be required for the tenant of an agricultural holding in order to access financial assistance under the legislation referred to under section 19A of the 1986 Act, as amended by section 24; or for the tenant under a farm business tenancy to access support under legislation referred to in the new section 8A of the 1995 Act, or for the purposes of complying with a statutory duty.
159. The provisions will come into force on a day appointed by the Welsh Ministers in an order made by Statutory Instrument.

Part 3 - Matters Relating to Agriculture and Agricultural Products

Chapter 1 - Collection and sharing of data

160. This Chapter confers power on the Welsh Ministers to require the provision of information.

Section 25 - Agri-food supply chains: requirement to provide information

161. **Section 25** confers power on the Welsh Ministers to require certain persons to provide information about certain matters. The persons are those in, or closely connected with, an "agri-food supply chain", and the information is about matters connected with any of the person's activities connected with that supply chain, so far as those activities take place in Wales. "Agri-food supply chain" is defined in section 26.
162. Subsection (2) confers power on the Welsh Ministers to make regulations requiring persons of the same type to provide information of the same type.
163. Subsection (4) provides that a requirement under subsection (1) or subsection (2) may not be imposed on an individual in a supply chain if they are in the supply chain because they, or a member of their household, are the ultimate consumer of the end-product of the supply chain. The intention is to ensure that ordinary consumers cannot be subject to requirements of the type described.

164. Subsection (5) exempts from the requirements any information which is subject to legal privilege.
165. Subsection (6) provides that any requirement imposed under subsection (1) must be in writing.

Section 26 - Meaning of “agri-food supply chain”

166. Subsection (2) defines an “agri-food supply chain”.
167. Subsection (3) defines persons “in” an agri-food supply chain. Subsection (4) defines persons “closely connected” with an agri-food supply chain: these persons include suppliers of seeds, stock, equipment, feed, fertiliser, pesticides, medicines or similar items, as well as persons providing services related to animal health, plant health and food safety.

Section 27 - Relevant activity: requirement to provide information

168. **Section 27** confers power on the Welsh Ministers to require a person who carries on a “relevant activity” (and is not “in” or “closely connected” with an agri-food supply chain) to provide information about matters connected with that activity, so far as it takes place in Wales. “Relevant activity” is defined in section 28.
169. Subsection (2) confers power on the Welsh Ministers to make regulations requiring persons of the same type to provide information of the same type.
170. Subsection (4) provides that a requirement under subsection (1) or subsection (2) may not be imposed on a person in relation to a relevant activity so far as the activity is carried on otherwise than for profit or reward.
171. Subsection (5) exempts from the requirements any information which is subject to legal privilege.
172. Subsection (6) provides that any requirement imposed under subsection (1) must be in writing.

Section 28 - Meaning of “relevant activity”

173. **Section 28** defines a “relevant activity”: the effect is that an activity listed in section 51(1) (which defines “agriculture”) is a “relevant activity”, as is an “ancillary activity”. “Ancillary activity” is defined in section 52.
174. The result of these definitions, taken with section 27, is that a requirement to provide information can potentially be imposed under section 27 in respect of, for example, an activity related to ornamental horticulture, or an activity relating to the growing of crops for energy.

Section 29 - Requirement to specify purposes for which information may be processed

175. Subsection (1) obliges a requirement imposed under section 25 or 27 to specify the purposes for which the information required may be processed. The purposes must be in, or covered by, the list of purposes in subsection (4).
176. The purposes in subsection (4) are intended, among other things, to permit the processing of information in ways that help farmers and other producers to increase productivity, minimise waste and increase resilience to a range of risks.
177. The intention is, also, to permit the processing of information in ways that support animal and plant health through the collection and sharing of data on animal births, deaths and movements, disease signs and veterinary medicine use as well as plant imports and plant pests and diseases.

Section 30 - Duty to publish requirement under section 25(1) or 27(1) in draft

178. Subsection (1)(a)(i) requires the Welsh Ministers to publish a draft of a requirement under section 25(1) or section 27(1) before imposing it. Subsection (1) (a)(ii) and (iii) require the Welsh Ministers also to publish a description of the persons on whom it is proposed that the requirement be imposed, and the deadline for comments. The effect of subsection (1)(b) is that, having considered any comments received, the Welsh Ministers may decide to impose the requirement in either its published form or a revised form.
179. Subsection (2) states that, once final terms of the requirement have been decided, the Welsh Ministers may impose the requirement at any time on a person within the description published under subsection (1)(a)(ii).

Section 31 - Provision of required information and limitations on its processing

180. **Section 31** stipulates that information provided in response to a requirement may be processed only for the purposes specified in the requirement.
181. Subsection (3) provides that this restriction on processing applies to the recipient of the information, and anyone to whom it is subsequently disclosed. (But, in the case of a person to whom the information is subsequently disclosed, the information cannot be processed in ways that are contrary to the terms of the disclosure, even where this type of processing would be permitted by the terms of the original requirement.)
182. Subsection (5) sets out matters that may be dealt within the requirement to provide information.
183. Subsection (6) obliges the requirement to specify the types of processing to which the information supplied may be subjected and the forms in which information supplied may be disclosed.
184. Subsection (7) sets out that information provided in response to a requirement may not be subjected to types of processing, or disclosed in any form, other than as specified in the requirement (unless the requirement specifies circumstances in which other forms of processing or disclosure may occur).
185. Subsection (8) specifies that, where there is a proposal for information provided under a requirement to be disclosed in a form specified in, or permitted by, the requirement, the requirement in subsection (9) applies.
186. Subsection (9)(a) provides that where the proposal is to disclose the information otherwise than in anonymised form, the person proposing the disclosure must consider whether disclosure in that form would, or might, prejudice the commercial interests of any person.
187. Subsection 9(b) provides that, if the person proposing the disclosure considers that the disclosure in that form (i.e. non-anonymised) would or might prejudice the commercial interests of any person, the disclosure must instead be in an anonymised form.
188. The effect of subsection (10) is that there is an exception to the requirement imposed by subsection (9)(b): if the Welsh Ministers consider it is in the public interest for the information to be disclosed in a non-anonymised form, the disclosure may take place in non-anonymised form, so long as the form of disclosure is permitted by the requirement under which the information was provided.
189. Subsection (11) defines what is meant by “processing”, in relation to information.

Section 32 - Enforcement of information requirements

190. **Section 32** confers power on the Welsh Ministers to make regulations providing for enforcement of a requirement imposed under section 25 or 27. The regulations may

make provision about (among other things) penalties for non-compliance, and appeals and conferring functions on a person.

191. The regulations might for instance specify the sanctions that will be applied (if someone fails to provide information or provides false information).
192. The effect of subsection (4) is that penalties provided for in the regulations can be fixed by reference to a person's income, turnover or profits. The objective behind this is to permit fines to be set at an appropriate level for different persons.

Section 33 - Review of operation and effect of sections 25 to 32

193. **Section 33** requires the Welsh Ministers to prepare a report every five years about the operation and effect of sections 25 to 32 during that five year period.

Chapter 2 - Marketing Standards: Agricultural products

194. **Section 34** confers powers on the Welsh Ministers in respect of standards with which certain agricultural products must conform when marketed in Wales. The powers replace time limited powers conferred by paragraph 16 of Schedule 5 to the 2020 Act.

Section 34 - Marketing standards

195. Subsection (1) provides that the Welsh Ministers may, by regulations, make provision about standards with which certain agricultural products must conform when marketed in Wales. The products are those listed in Schedule 1.
196. Subsection (2) provides a non-exhaustive list of matters that the regulations may make provision about; for example, criteria such as appearance, type of farming or production method, and storage and transport.
197. Subsection (3) states that the regulations cannot make provision about the place of farming or origin in relation to live poultry, poultry meat or spreadable fats.
198. Subsection (4) provides that the regulations make may provision about enforcement and outlines some of the matters that may be covered. These include powers of entry, the creation of summary offences and the imposition of monetary penalties.
199. Subsection (5) states that regulations made under section 34 may not authorise entry to a private dwelling without a warrant issued by a justice of the peace. "Private dwelling" is defined in section 54.
200. Subsection (6) allows the Welsh Ministers to make regulations to amend the list of agricultural products at Schedule 1 (whether by adding a product to the list, removing a product, or altering the description of a product).

Chapter 3

Classification etc of certain carcasses

201. **Section 35** confers powers on the Welsh Ministers in respect of the classification, identification and presentation of certain carcasses by slaughterhouses in Wales. The powers replace time limited powers conferred by paragraph 18 of Schedule 5 to the 2020 Act.

Section 35 - Carcass classification

202. Subsection (1) confers powers on the Welsh Ministers to make provision by regulation about the classification, identification and presentation of bovine, pig and sheep carcasses by slaughterhouses in Wales.

203. Subsection (2) states that regulations made under subsection 1 may include provision about enforcement, and that this may include, for example, provision conferring powers of entry, creating summary offences and imposing monetary penalties.
204. Subsection (3) states that regulations made under section 35 may not authorise entry to a private dwelling, without a warrant issued by a justice of the peace. “Private dwelling” is defined at section 54.
205. Subsection (4) defines “pigs” for the purposes of this section of the Regulations as including wild boar and other feral pigs.

Part 4 - Forestry

Section 36 – Overview of Part

206. This section explains how this Part of the Act amends Part 2 of the Forestry Act 1967 (c. 10) in relation to Wales.

Section 37 - Conditions of tree felling licences

207. **Section 37** amends section 10 of the Forestry Act 1967 to enable the Natural Resources Body for Wales (“NRW”), as the “appropriate forestry authority” for Wales under the Act, to impose conditions on the grant of a tree felling licence if it appears to NRW that it would be expedient to do so for the purpose of (i) conserving or enhancing natural beauty, or (ii) conserving flora, fauna, geological or physiographical features, or natural habitats.
208. Section 10 of the Forestry Act 1967 currently enables NRW to impose conditions for certain purposes when granting tree felling licences. This amendment adds a further purpose for which NRW will be able to attach conditions to new tree felling licences. It will allow NRW to include conditions to felling licences to prevent felling that would contradict other environmental legislation. For example, to include conditions requiring licence holders not to fell trees in certain areas in order to retain habitat, or to fell trees only at certain times of year, or undertake capital works to mitigate the impact of felling on the environment if it appears to NRW that it would be expedient to do so in order to conserve certain flora or fauna or avoid environmental harm.

Section 38 - Amendment of tree felling licences by agreement

209. **Section 38(1)** inserts new subsections (3A) and (3B) into section 10 of the Forestry Act 1967 to enable NRW (as the appropriate forestry authority for Wales under that Act) and the “person responsible” to agree (at any time) to amend a felling licence.
210. New subsection (3B) makes it clear that the “person responsible” is the applicant for the licence if the applicant still has an estate or interest in the land that would enable him/her, with or without consent of any other person, to fell the trees that are the subject of the licence. If the applicant no longer has such an interest, the “person responsible” is a person who has such an estate or interest.
211. The ability to amend a felling licence by mutual agreement is intended to help address or reflect changes in circumstances, for example where boundaries have changed or a need to replant with a different tree species or other sensitivities which may come to light after the licence has been granted, or alternatively where a breach of a condition of the felling licence has occurred.
212. **Section 38(2)** inserts a new section 10A after section 10 of the Forestry Act 1967. New section 10A only applies if the trees that are subject to the felling licence are subject to a tree preservation order (a “TPO”), and NRW and the person responsible are proposing to amend a felling licence under section 10(3A).

213. In those circumstances, NRW must give the authority by whom the TPO was made written notice of the proposed amendment, unless the exception set out in section 10A(1)(b) applies. The effect of section 10A(1)(b) is that, if NRW considers that the amendment to the licence is necessary to respond to an imminent and serious risk of harm to natural beauty, or to flora, fauna, geological or physiographical features, or natural habitats, the requirements set out in section 10A do not apply. This enables amendments that are necessary to prevent an imminent and serious risk of environmental harm to be made without delay.
214. [Section 10A\(3\)](#) gives the TPO authority, once it has been informed about a proposed amendment, an opportunity to object to the amendment within a prescribed period (to be set out in regulations). If the TPO authority do not withdraw their objection, NRW must refer the matter to the Welsh Ministers. The Welsh Ministers must then grant consent to the amendment or refuse to grant consent, and must consult those set out in 10A(6) before making their decision.

Section 39 - Varying, suspending or revoking tree felling licences

215. [Section 39](#) inserts three new sections (sections 24C, 24D and 24E) into the Forestry Act 1967 to enable NRW, as the appropriate forestry authority for Wales, to vary, amend, suspend or revoke a tree felling licence in certain circumstances (without agreement).

Section 24C

216. NRW can give “the person responsible” a notice under section 24C(3) if it considers that a condition of the licence (other than a condition that requires works to be carried out) has not been complied with, or is not being complied with.
217. A notice given under section 24C(3) is able to suspend the licence (either in full or partially), vary or remove a condition of the licence, or impose a new licence condition. In addition, where the condition that has been, or is being, breached has been imposed for the purpose of conserving or enhancing natural beauty, or for conserving flora, fauna, geological or physiographical features or natural habitats, a notice given under section 24C(3) may revoke the licence.
218. A notice given under section 24C(3) may also specify steps that must be taken (within a period specified in the notice) by the person to whom the notice has been given.
219. If the steps required by a notice given under section 24C(3) are not taken within the time specified in the notice, NRW may take enforcement action in accordance with section 24C(9), (10) and (11). NRW may enter onto the land and take the steps itself (under section 24C(9)), or it may bring proceedings against the person who has failed to take steps (in accordance with section 24C(10) and (11)). It is an offence for a person not to take the steps required by a notice given under section 24C(3) unless they have a reasonable excuse. This offence is summary only and is punishable by a fine.
220. Where a notice given under section 24C(3) suspends a felling licence, the suspension comes to an end when the period set out in the notice expires, unless NRW gives a further notice lifting the suspension on an earlier date.
221. “The person responsible”, for the purposes of section 24C, is defined in section 24C(13).

Section 24D

222. NRW can give a notice under section 24D(2) if a notice has been given under section 24C(3) requiring steps to be taken, but before those steps have been taken, the person to whom the notice was given ceases to have the relevant estate or interest in the land.
223. This situation could arise, for example, if the land that is the subject of a section 24C(3) notice changes hands before steps set out in the notice have been taken.

224. In those circumstances, section 24D provides that NRW, as the appropriate forestry authority, can serve a notice on a person who has the relevant estate or interest in the land, requiring that person to take the steps that were previously set out in the section 24C(3) notice (within a period specified in the notice).
225. [Section 24D\(5\)](#) provides that it is an offence for a person not to take the steps required by a section 24D(2) notice unless they have a reasonable excuse. This offence is summary only and is punishable by a fine. As with section 24C(3) notices, if the steps required by a section 24D(2) notice have not been taken within the specified period, NRW may enter onto the land to take the steps itself (under section 24D(4)).

Section 24E

226. NRW can give “the person responsible” a notice under section 24E(2) if it considers that tree felling in accordance with a licence is causing, or is likely to cause, significant harm to (i) natural beauty, or (ii) flora, fauna, geological or physiographical features, or natural habitats.
227. The circumstances in which a section 24E(2) notice can be given are, therefore, different from the circumstances that give rise to notices being given under sections 24C and 24D: NRW’s power to give a notice under section 24E(2) is not dependent on a licence condition having been breached, and can arise even where a licence holder is not at fault.
228. Under section 24E(2), NRW may give a notice to “the person responsible” to suspend or amend a felling licence or, if NRW considers that suspending or amending the licence would not prevent the harm in question, to revoke the licence.
229. The person responsible, for the purposes of section 24E, is defined in section 24E(6).
230. As with section 24C(3) notices, where a notice given under section 24E(2) suspends a felling licence, the licence may be suspended in full or partially, and the suspension comes to an end when the suspension period set out in the notice expires (unless NRW gives a further notice lifting the suspension on an earlier date).
231. If a notice given under section 24C(3) or 24E(2) makes provision to vary or amend a felling licence, or to suspend or revoke a felling licence, and a person fells trees in contravention of those provisions, that person is likely to be felling trees without the authority of a felling licence.
232. In those circumstances, enforcement action can be taken via section 17 of the Forestry Act 1967 Act. Section 17 provides that it is an offence to fell without the authority of a felling licence, and a person found guilty of the offence will be liable on summary conviction to an unlimited fine (see commentary below on section 42 of the Act, which amends section 17 of the Forestry Act 1967).

Section 40 – Tree Preservation Orders

233. [Section 40](#) inserts a new section 24F (Tree Preservation Orders) into the Forestry Act 1967. It applies if NRW proposes to give a notice under section 24C(3) or 24E(2), and the notice would affect trees that are the subject of a tree preservation order (a “TPO”).
234. The section requires NRW, as the appropriate forestry authority, to notify the authority who made the TPO of the proposal unless the emergency criteria are met. The emergency criteria are met if NRW considers that it is necessary to give the section 24C(3) or section 24E(2) notice in order to respond to an imminent and serious risk of harm to natural beauty or to flora, fauna, geological or physiographical features, or natural habitats. This exception is designed to enable NRW to address any imminent and serious risk of environmental harm without delay.
235. Once the TPO authority has been notified of a proposal to give a notice under section 24C(3) or 24E(2), it may object to the giving of the notice within a prescribed

period (to be set out in regulations). Where the TPO authority do not withdraw its objection, NRW must refer the matter to the Welsh Ministers. The Welsh Ministers must consult those set out in 24F(7) before deciding whether to grant or refuse consent for the giving of the notice.

Section 41 – Appeals and Compensation

236. **Section 41** inserts seven new sections into the Forestry Act 1967 setting out rights to bring an appeal and rights to claim compensation following the giving of notices under sections 24C(3), 24D(2) and 24E(2).
237. New sections 26A and 26B set out who may bring an appeal against a notice given under section 24C(3), 24D(2) and 24E(2), and specify the grounds on which those appeals may be brought. Section 26A(2) sets out the grounds under which an appeal may be brought against a section 24C(3) notice, and section 26A(3) sets out the ground under which an appeal may be brought against a section 24D(2) notice. Section 26B(2) sets out the grounds under which an appeal may be brought against a section 24E(2) notice.
238. An appeal under section 26A or 26B must be brought by serving a notice on the Welsh Ministers requesting the matter be referred to a Committee appointed in accordance with section 27 of the Forestry Act 1967.
239. New section 26C makes further provisions in relation to appeals. Amongst other things, it allows the Welsh Ministers to set out in regulations the prescribed manner and prescribed period for bringing appeals against notices given under section 24C(3), 24D(2) and 24E(2).
240. As a general rule, notices given under sections 24C(3), 24D(2) and 24E(2) do not take effect until after a person has been given an opportunity to bring an appeal or (in circumstances where an appeal has been brought) until the appeal has been concluded. However, a notice given under those sections can take effect immediately to the extent that (i) the notice suspends a felling licence, or (ii) the notice amends or revokes a felling licence, and NRW considers that the action is necessary in order to respond to an imminent and serious risk of harm to the environmental features described in section 26C(3)(a).
241. **Section 41** also inserts new sections 26D, 26E and 26F into the Forestry Act 1967 to provide an entitlement to compensation in certain circumstances following the receipt of a notice given under section 24C(3), 24D(2) or 24E(2). These new sections are to be read alongside the provisions in new section 26G.
242. **Sections 26D, 26E and 26F** specify who can make a claim for compensation where a notice has been given under section 24C(3), 24D(2) or 24E(2).
243. **Section 26D** provides an entitlement to compensation where a notice has been given under section 24C(3). An entitlement to compensation arises where the notice has either been cancelled by the Welsh Ministers following an appeal or (if a notice is one that suspends a licence), where the Welsh Ministers have directed NRW to end the suspension.
244. If a section 24C(3) notice is cancelled following an appeal, compensation is payable for any expenses reasonably incurred in connection with the giving of the notice, and for any depreciation in the value of the trees that is attributable to deterioration in the quality of the timber arising as a result of the giving of the notice.
245. If the Welsh Ministers have directed NRW to end a suspension, compensation is payable for any expenses reasonably incurred in connection with the suspension, and for any depreciation in the value of the trees that is attributable to deterioration in the quality of the timber arising as a result of the suspension.

246. **Section 26E** provides an entitlement to compensation where a notice has been given under section 24D(2). Notices under section 24D(2) are only able to require a person to take steps (and are not able to vary, amend, suspend or revoke licences), so compensation rights under section 26E are more limited. The entitlement arises if a section 24D(2) notice has been cancelled by the Welsh Ministers following an appeal, and compensation is payable for any expenses reasonably incurred in connection with the giving of the notice.
247. **Section 26F** provides an entitlement to compensation where a notice has been given under section 24E(2). Notices given under section 24E(2) are able to amend, suspend or revoke licences where there has been no breach of a licence condition (if the requirements set out in section 24E have been met), so the compensation rights under section 26F are broader.
248. There is an automatic right to compensation for any depreciation in the value of the trees that is attributable to deterioration in the quality of the timber arising as a result of the giving of a notice under section 26E(2), regardless of whether an appeal has been brought. This is similar to the compensation rights that arise under section 10 and 11 of the Forestry 1967 Act where an application for a felling licence is refused.
249. An entitlement to compensation also arises under section 26F where a notice given under section 24E(2) has either been cancelled by the Welsh Ministers following an appeal or (if a notice is one that suspends a licence), where the Welsh Ministers have directed NRW to end the suspension.
250. If a section 24E(2) notice is cancelled following an appeal, compensation is payable for any expenses reasonably incurred in connection with the giving of the notice.
251. If the Welsh Ministers have directed NRW to end a suspension made by a section 24E(2) notice, compensation is payable for any expenses reasonably incurred in connection with the suspension.
252. New Section 26G makes further provision in relation to compensation claims. Amongst other things, it allows the Welsh Ministers to set out in regulations the prescribed manner and prescribed period for claiming compensation and provides further details about claiming compensation for deterioration in the quality of timber.

Section 42 - Penalty for felling without licence

253. **Section 42** amends section 17 of the Forestry Act 1967 to provide that, in respect of land in Wales, the penalty for felling a tree without the authority of a felling licence is an unlimited fine. Trees are felled without the authority of a felling licence if there is no licence in place (for instance because a licence has not been granted, or because a licence has been suspended or revoked by a notice given under section 24C(3) or 24E(2)), or if trees are felled in contravention of a felling licence (including in contravention of terms or conditions of a licence that have been varied, amended or inserted by a notice given under section 24C(3) or 24E(2)).

Section 43 – Service of documents

254. **Section 43** inserts a new subsection (6) into section 30 of the Forestry Act 1967 to provide that any references in Part 2 of that Act to the giving of a notice or document by NRW are to be treated as if they were references to the serving of a notice or document. This ensures that the criteria in section 30 of the Forestry Act 1967 (about when notices or documents are deemed to have been served) apply consistently to all notices and documents given by NRW under Part 2 of the Forestry Act 1967.

Section 44 - Consequential amendments to the Forestry Act 1967

255. **Section 44** makes a series of amendments to the Forestry Act 1967. These amendments are needed as a result of the changes made to that Act by sections 36 to 43.

Part 5 - Wildlife

Section 45 – Overview of Part

256. **Section 45** sets out the purposes for which this Part of the Act amends the **Wildlife and Countryside Act 1981 (c.69)**.

Section 46 - Prohibition on use of snares and glue traps

257. **Section 46** amends section 11(1) of the Wildlife and Countryside Act 1981 so as to make it an offence to use certain devices in order to kill or take certain animals, or to use those devices where it is likely that they will catch certain animals or cause injury to them.

258. The amendment to section 11(1) of the 1981 Act makes it an offence:

- to set a snare or other cable restraint in position in Wales, if the snare or restraint is of a type, and is placed, so as to be likely to cause injury to any wild animal that comes into contact with it;
- to use a snare or other cable restraint in Wales for the purpose of killing or taking any wild animal;
- to set a glue trap in position in Wales, if the trap is of a type, and is placed, so as to be likely to catch any (non-human) vertebrate animal that comes into contact with it;
- to use a glue trap in Wales for the purpose of killing any or taking any (non-human) vertebrate animal.

Section 47 - Modification of prohibitions on use of other methods to kill or take wild animals

259. **Section 47** amends section 11(2) of the Wildlife and Countryside Act 1981 so as to modify the prohibitions on setting in position any trap or snare, or any electrical device for killing or stunning, or any poisonous, poisoned or stupefying substance. The effect of the modifications is that the prohibitions will apply where the use of those things is “likely” to cause injury to a wild animal of the type specified in those provisions (rather than where the use is “calculated to cause” injury to a wild animal of that type).

Section 48 – Consequential amendments to the Wildlife and Countryside Act 1981

260. **Section 48** makes a series of amendments to the Wildlife and Countryside Act 1981. These amendments are connected to the changes made to that Act by sections 46 and 47.

261. For example, the prohibition imposed by section 11(1) (be) of the 1981 Act (inserted by section 48(2)(c)) was previously imposed, both in relation to England and in relation to Wales, by section 11(1)(b) of the 1981 Act. Section 48(2)(b) amends section 11(1) (b) of the 1981 Act so that it no longer applies in relation to Wales, and section 48(2)(c) inserts a new section 11(1) (be) that applies in relation to Wales. This has been done in order to enable the prohibitions that apply in relation to England to be grouped together, followed by the prohibitions that apply in relation to Wales (including those inserted by section 46).

Part 6 - General

Section 49 – Power to make consequential, transitional etc. provision

262. **Section 49** provides that the Welsh Ministers may, by regulations, make such supplemental, incidental, consequential, transitional, transitory or saving provision as they think necessary or appropriate for the purpose of, in consequence of, or for giving full effect to any provision of the Act. Such regulations may modify any enactment (as

defined in Schedule 1 to the Legislation (Wales) Act 2019), including the provisions contained in this Act.

Section 50 – Regulations under this Act

263. **Section 50** makes general provision about regulations made under this Act and sets out the Senedd Cymru procedure applicable to those regulations.
264. Subsection (3) provides that a power to make regulations under the Act includes power to modify retained direct EU legislation.
265. Subsection (4) provides that a power to make regulations under the Act includes power to make supplemental, incidental, consequential, transitional, transitory, or saving provision.
266. Subsection (7) sets out the provisions of the Act to which the affirmative procedure applies, ie under which regulations may not be made unless a draft of the instrument containing them has been laid before, and approved by resolution of, Senedd Cymru. Subsection (8) provides that the affirmative procedure is also applicable where regulations modify any provision of primary legislation.

Section 51 – Meaning of “agriculture” and related references

267. The meaning of “agriculture” is central to certain provisions of the Act, particularly the SLM duty (section 2) and the power of support (section 8). Section 51 defines “agriculture” for the purposes of the Act. The definition is wide in scope. This is intended to reflect the broad range of farming activities currently undertaken in Wales, and to capture activities that are commonly considered to be traditional farming activities, e.g. the growing of crops for food, as well as more modern farming activities, e.g. controlled environment agriculture which captures more recent developments such as vertical farming.
268. “Livestock” forms a component part of the definition of “agriculture”, and for clarity, subsection (2) provides a definition of what is meant by this term. Similarly, the definition of “agriculture” includes a reference to “controlled environment agriculture”, which is a relatively new, evolving practice. Subsection (2) provides a definition of this term.
269. Subsection (3) clarifies that certain terms are to be construed in accordance with the definition of “agriculture”, including “agricultural businesses”.

Section 52 – Meaning of “ancillary activity”

270. **Section 52** defines “ancillary activity” for the purposes of the Act.
271. In the definition, paragraph (a) specifies certain activities carried out on land used for agriculture (as defined in section 51), while paragraph (b) refers to other listed activities, which need not take place on land used for agriculture, but which must relate to products derived from agriculture.
272. The definition is intended to recognise the activities the agricultural sector undertakes, alongside its core actions, in support of its business and environmental outcomes.

Section 53 - Power to amend sections 51 and 52

273. **Section 50** confers power on the Welsh Ministers to amend the definitions of “agriculture” and “ancillary activity” by regulations.
274. Subsections (2) to (7) detail the procedure that must be followed when exercising the power to amend sections 51 and 52. This procedure requires consultation before the regulations are made, and a statement to be laid before the Senedd.

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(c.4) which received Royal Assent on 17 August 2023*

275. The availability of this power is intended to ensure that the Act is able to adapt to, for instance, any future changes in agricultural or farming practices that might result from land management or technological advances in the future.

Section 54 - Other interpretation

276. [Section 54](#) defines further words and terms used in the Act.

Section 55 - Consequential amendments and repeals etc.

277. Subsection (1) gives effect to Schedule 2, which makes minor and consequential amendments, relating to Parts 1 to 3, to existing primary legislation.
278. Subsection (2) gives effect to Schedule 3, which makes amendments to the CMO Regulation.

Section 56 – Coming into force

279. [Section 56](#) brings the provisions of the Act into force.
280. Subsection (1) brings the following provisions of the Act into force on the day after the day of Royal Assent: Part 4 (but only for the purpose of making regulations under section 32 of the Forestry Act 1967) and Part 6 (except section 55, and Schedules 2 and 3).
281. Subsection (2) brings the following provisions into force at the end of the period of two months beginning with the day of Royal Assent: Part 1 (SLM); Chapter 1 of Part 2 (Welsh Ministers’ power to provide support); Chapter 2 of Part 2 (power to modify legislation relating to financial and other support);, and Part 5 (wildlife)
282. Subsection (3) brings certain provisions of Schedule 2 into force at the end of the period of two months beginning with the day of Royal Assent, and section 55 to the extent that it relates to those provisions. (In the case of the provisions specified in paragraphs (a) and (b), they are commenced only for specified purposes.) This is to ensure that, to the extent that consequential amendments and repeals in Schedule 2 relate to the provisions of the Act commenced by subsection (2), those amendments and repeals themselves come into force at the end of the two-month period.
283. Subsection (4) provides that all other provisions of the Act come into force on a day appointed in an order made by the Welsh Ministers.
284. Subsection (5) allows an order under subsection (4) to appoint different days for different purposes and to make transitory, transitional and saving provision.

Section 57 – Short title

285. This section gives the short title of the Act as the “Agriculture (Wales) Act 2023”.

Schedule 1 - Agricultural Products Relevant to Marketing Standards Provisions

286. [Schedule 1](#) is introduced by section 34. It contains the list of agricultural products in respect of which the Welsh Ministers may make regulations under section 34.
287. [Paragraphs 1 to 9](#) operate by reference to the CMO Regulation (defined in section 54); paragraph 10 operates by reference to the Aromatised Wine Regulation as defined in paragraph 11.

Schedule 2 - Minor and Consequential Amendments Etc Relating to Parts 1 to 3

288. [Schedule 2](#) is introduced by section 55.

Part 1: Amendments, Repeals and Savings Relating to the Agriculture Act 2020

289. **Paragraph 1** makes the amendments to the 2020 Act.
290. **Paragraph 1(2)** repeals the section of the 2020 Act that introduces Schedule 5 to that Act. Schedule 5 to the 2020 Act makes provision for Wales only and is repealed by this Act (see paragraph 1(9)).
291. **Paragraph 1(3)** repeals the section of the 2020 Act that provides that certain provisions of the Act relating to Wales expire at the end of 2024, as the provisions in question are repealed by this Act.
292. **Paragraph 1(4)** omits certain paragraphs from section 52 of the 2020 Act, which introduces Schedule 7 to that Act. Schedule 7 of the 2020 Act amends the CMO Regulation (defined in section 54) in consequence of certain provisions in that Act; since , some of those are repealed by this Act, paragraph 1(4) repeals the references to the repealed provisions.
293. **Paragraph 1(5)** amends section 53 of the 2020 Act, which confers power on the Welsh Ministers' to make supplementary, incidental or consequential provision in connection with provisions of that Act. The effect is to remove references to those provisions that are repealed by this Act. The effect is also that the Secretary of State cannot make any supplementary, incidental or consequential provision that the Welsh Ministers would have been able to make if those provisions had not been repealed by this Act.
294. **Paragraph 1(6)** amends the Welsh Ministers' power under the 2020 Act to make transitional, transitory or saving provision in connection with the coming into force of provisions of that Act, so as to remove references to provisions that are repealed by this Act.
295. **Paragraphs 1(7) and 1(8)** amends two further sections of the 2020 Act to remove references to provisions of that Act that are repealed by this Act..
296. **Paragraph 1(9)** repeals Schedule 5 of the 2020 Act, which applies in relation to Wales only.
297. **Paragraph 1(10)** repeals the consequential amendments made to the CMO Regulation (defined in section 54) by Parts 2 and 4 of Schedule 7 to the 2020 Act. This provision is replaced by the provision in Schedule 3 of this Act.
298. **Paragraph 2** provides that regulations made by the Welsh Ministers under paragraph 2 of Schedule 5 of the 2020 Act remain in force despite the repeal of those provisions and have effect as if they were made under section 16 of this Act.

Part 2: Amendments to other Acts

299. **Part 2** amends four other Acts to require the SLM report(s) (published under section 6) to be taken into account in the exercise of certain functions (which include functions relating to the preparation, adoption and review of other plans and reports.)

Schedule 3 - Consequential Amendments Etc. to the Cmo Regulation

300. **Schedule 3** is introduced by section 55. It makes amendments to the CMO Regulation, (defined in section 54), which relates to markets in agricultural products.

Part 1: Amendments relating to Chapter 3 of Part 2 (intervention in markets)

301. Part 2 of Schedule 7 to the 2020 Act disapplies certain provisions of the CMO Regulation, in relation to Wales, for the duration of existing time limited provision about exceptional market conditions in Schedule 5 to the 2020 Act. (The disapplied provisions relate to exceptional market conditions.)

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302. Since the Act is replacing the time limited provision in Schedule 5 to the 2020 Act, Part 1 of Schedule 3 amends the CMO Regulation in consequence in relation to intervention in markets (in that the amendment made to the CMO Regulation by Schedule 7 to the 2020 Act will cease to be appropriate). But since the amendment made by Schedule 7 to the 2020 Act to the CMO Regulation is not yet in force, Schedule 3 provides (in Part 1) alternative consequential amendments to the CMO Regulation.
303. The amendment at paragraph 1 makes provision that applies if paragraph 2 of Schedule 7 to the 2020 Act has been brought into force before paragraph 1 of Schedule 3 (and has amended the CMO Regulation for Wales in order to disapply Article 219, 220, 221 and 222 of Part V of the CMO Regulation for Wales).
304. The effect of the paragraph 1 amendment is to amend the amendment made to the CMO Regulation by paragraph 2 of Schedule 7 to the 2020 Act, by removing the time limited element of that amendment (the time limited element is no longer appropriate since the provision made by the Act for exceptional market conditions is not time limited). The end result is that Articles 219, 220, 221 and 222 of Part V of the CMO Regulation are disapplied in relation to agricultural producers in Wales, on an open-ended basis.
305. The effect of paragraph 2 is the same: to disapply Articles 219, 220, 221 and 222 of Part V of the CMO Regulation in relation to agricultural producers in Wales, on an open-ended basis. However, the amendment in this paragraph is structured differently and will have effect only if the amendment at paragraph 2 of Schedule 7 to the 2020 Act has not been commenced before Part 1 of Schedule 3 is commenced.

Parts 2 and 3: Amendments relating to section 34 (marketing standards) and section 35 (carcass classification)

306. Part 4 of Schedule 7 to the 2020 Act amends articles of the CMO Regulation in relation to marketing standards and carcass classification in Wales.
307. The effect of the amendments in paragraphs 4 to 16, and, of Schedule 3 is to substitute, in the relevant articles of the CMO Regulation, references to the 2020 Act with references to the Act.

Part 4: Saving provision

308. Paragraphs 17 and 18 preserve existing regulations made by the European Commission under the CMO Regulation, which regulate carcass classification and marketing standards in relation to agricultural products marketed in Wales. The effect is that these regulations will continue to apply even though the powers under which they were made have been disapplied in Wales.