MID-TERM EVALUATION OF THE RURAL DEVELOPMENT PLAN FOR WALES

Appendix 6 – Less Favoured Areas

Final report for

Welsh European Funding Office

Submitted by

Agra CEAS Consulting Ltd.

Telephone: *44 (0)1233 812181
Fax: *44 (0)1233 813309
E-mail: info@ceasc.com
http://www.ceasc.com/
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Contents

APPENDIX 6: LESS FAVOURED AREAS ................................................................................................................................. 2

A6.1. INTRODUCTION ....................................................................................................................................................... 2
A6.2. ELIGIBILITY AND LEVELS OF GRANT .................................................................................................................. 4
A6.3. PAYMENTS ............................................................................................................................................................ 4
A6.4. METHODOLOGY ..................................................................................................................................................... 6
   A6.4.1. Primary data .................................................................................................................................................. 6
   A6.4.2. Secondary data .............................................................................................................................................. 7
A6.5. COMMISSION QUESTIONS ......................................................................................................................................... 9
   A6.5.1. Question 1. To what extent has the scheme contributed to: (i) offsetting the natural handicaps in LFAs in terms of high production costs and low production potential, and (ii) compensating for costs incurred and income foregone with environmental restrictions? (LFA and AER)......................................................... 9
   A6.5.2. Question 2. To what extent have compensatory allowances helped in ensuring continued agricultural land use? ........................................................................................................................................... 13
   A6.5.3. Question 3. To what extent have compensatory allowances contributed to the maintenance of a viable rural community? .................................................................................................................................. 14
   A6.5.4. Question 4. To what extent has the scheme contributed to the protection of the environment: (i) by maintaining or promoting sustainable farming that takes account of environmental protection requirements in LFAs? ........................................................................................................................................... 19
A6.6. NATIONAL QUESTIONS .............................................................................................................................................. 24
   A6.6.1. Is there a valid economic rationale for the Tir Mynydd scheme? ......................................................................................... 24
   A6.6.2. To what extent have the scheme objectives been met? ................................................................................................. 26
   A6.6.3. Are the project selection procedures appropriate? ...................................................................................................... 26
   A6.6.4. Is the system of administration and monitoring effective and economic? ........................................................................ 27
   A6.6.5. How efficiently have scheme outputs been achieved? ................................................................................................. 27
   A6.6.6. Have there been positive or negative side effects .................................................................................................. 27
   A6.6.7. Are the scheme outcomes sustainable? .................................................................................................................. 28
   A6.6.8. Has there been additionality generated by the scheme, or has there been displacement over time and/or place? ........................................................................................................................................... 28
   A6.6.9. Has the scheme reached the target group, and what is the policy deadweight in terms of benefit reaching groups that are not targets? ........................................................................................................ 28
   A6.6.10. What are the broader effects in the rural economy and environment of the assistance provided? ........................................................................................................................................... 29
   A6.6.11. What interactions (synergy, conflict) have there been with other schemes? ........................................................................ 29
   A6.6.12. What potential is there for further complementarity/synergy between schemes that are not achieved under present arrangements? ........................................................................................................................................... 29
A6.7. CONCLUSIONS AND RECOMMENDATIONS ........................................................................................................... 30
A6.8. TELEPHONE SURVEY QUESTIONNAIRE .................................................................................................................. 31
   A6.8.1. Tir Mynydd questionnaire ........................................................................................................................................ 31
Appendix 6: Less Favoured Areas

A6.1. Introduction

Payments to farmers in the hills and uplands predate the designation of Less Favoured Areas in 1975, going back to the Hill Farming Act of 1946. Accordingly there is a long track record of similar payments which must inevitably complicate any attempt to assess the success or otherwise of Tir Mynydd, one particular (and very recent) element in the record. Since 1975 these payments have been made within the context of the Less Favoured Area as designated under the EC Directive 75/268 and extended in 1984 when two categories of LFA (Disadvantaged and Severely Disadvantaged) were recognised.

Payments under the Hill Livestock Compensatory Allowance (HLCA) scheme were replaced by the current Tir Mynydd scheme as part of the Wales Rural Development Plan in 2001. Unlike previous support mechanisms for farmers in the hills, Tir Mynydd is paid under the EU Rural Development Regulation and is thereby part of the Wales Rural Development Plan. Its objectives are broadly twofold:

- to contribute to the maintenance of the social fabric of upland rural communities through support for continued agricultural land use;
- to help preserve the farmed upland environment by ensuring that land is managed in a sustainable way (National Assembly of Wales, 2001).

The Tir Mynydd scheme is available throughout Wales within the designated Less Favoured Area (see Figure A6.1). As such it covers a substantial part of Wales with some three-quarters of the agricultural area lying within the LFA area. Of the nine ‘rural’ Unitary Authorities recognised for statistical purposes by the Welsh Assembly, only parts of Pembrokeshire and Denbighshire have any significant areas of land which are not so designated.
Rural Development Plan - LFA Status in Wales
The introduction of the Tir Mynydd scheme brought about a major change in the delivery of compensation to hill farmers in that the payments are not, as were HLCA payments, based upon the headage of livestock but rather on the area of the holding. There were fears that this would disadvantage a significant number of farmers and as a result a ‘safety net’ ensuring a minimum payment to all farmers will operate to 2004. There is concern within the farming lobby that the removal of the safety net in 2004 will be a serious event for Welsh farmers, though Assembly officials consider that its removal will mainly affect those on more heavily stocked farms.

A6.2. Eligibility and levels of grant

To be eligible for the scheme, farmers must farm at least 6 hectares of forage land within the LFA by raising suckler cows and/or breeding ewes. In the 2002 application year a minimum stocking density of 0.1LU/ha applied with no formal maximum stocking rate given. In the 2003 application year there has been a requirement that stocking densities are kept either below 1.4LU/ha or below or equal to 1.8LU/ha. In addition farmers can gain extra payments (up to a maximum of two extra payments) if their farm exhibits any of the following ‘enhancements’:

- mixed cattle and sheep (cattle may be dairy or beef);
- organic status;
- a minimum of 2% (or 1 ha) in arable crops;
- stocking rate below 1.2 LSU per hectare;
- stock is removed from common land for three months between September and February;
- a minimum of 2% (or 1 Hectare) of fenced woodland in which grazing is managed (although this is not applicable if payments are received from other schemes e.g. the Farm Woodland Premium Scheme);
- membership of an approved farm assurance scheme.

Levels of grant vary between Disadvantaged (DA) and Severely Disadvantaged Areas (SDA) of the LFA. Current rates are £35 per hectare for SDA and £23 per hectare for DA, with the possibility of up to 10% extra paid for one enhancement and up to 20% for a second enhancement. Payments are tapered to avoid over-compensation to very large farms, with tapering not applying for the first 140 hectares, a 35% reduction thereafter up to 640 hectares and a 70% reduction above 640 hectares.

A6.3. Payments

Application for payments under the Tir Mynydd scheme are made through the annual IACS form and all eligible farmers are paid the allowance (i.e. there is no quota). Applications recorded and numbers of payments from 2000 (i.e. including the last year of the HLCA scheme) are given in (Table A6.1).
Table A6.1: Applications and payments to HLCA and Tir Mynydd 2000-2003

<table>
<thead>
<tr>
<th></th>
<th>Total applications</th>
<th>Approved payments</th>
<th>Payment as a proportion of applications</th>
</tr>
</thead>
<tbody>
<tr>
<td>HLCA 2000</td>
<td>12,509</td>
<td>12,509</td>
<td></td>
</tr>
<tr>
<td>TM 2001</td>
<td>14,711</td>
<td>12,020</td>
<td>82%</td>
</tr>
<tr>
<td>TM 2002</td>
<td>12,342</td>
<td>11,194</td>
<td>91%</td>
</tr>
<tr>
<td>TM 2003(^1)</td>
<td>11,997</td>
<td>10,841</td>
<td>90%</td>
</tr>
</tbody>
</table>

Source: WOAD.
Note: \(^1\) data for 2003 as at 10 November 2003.

It would appear that approved payments fell by a relatively small amount when the change to the area-based Tir Mynydd took place. A rather larger decline in both application numbers and approved payments would seem to have taken place since then, but this has had the effect of increasing the proportion of approved payments to applications made.

Total payments made and number of approved claims are used in Table A6.2 to present the average payments made between 1998 (under the previous HLCA system) and 2003 under Tir Mynydd.

Table A6.2: Average HLCA and Tir Mynydd claims per holding

<table>
<thead>
<tr>
<th></th>
<th>Total payments (£ million)</th>
<th>Approved claims</th>
<th>Average claim per holding</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>HLCA</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1998</td>
<td>£27.1</td>
<td>12,134</td>
<td>£2,233</td>
</tr>
<tr>
<td>1999(^1)</td>
<td>£42.4</td>
<td>12,163</td>
<td>£3,486</td>
</tr>
<tr>
<td>2000(^2)</td>
<td>£42.1</td>
<td>12,509</td>
<td>£3,366</td>
</tr>
<tr>
<td><strong>Tir Mynydd</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2001(^3)</td>
<td>£42.2</td>
<td>12,020</td>
<td>£3,511</td>
</tr>
<tr>
<td>2002</td>
<td>£38.7</td>
<td>11,194</td>
<td>£3,457</td>
</tr>
<tr>
<td>2003</td>
<td>£37.1</td>
<td>10,841(^4)</td>
<td>£3,422</td>
</tr>
</tbody>
</table>

Notes:
\(^1\) HLCA rates were increased across the board by approximately 55% as part of aid package.
\(^2\) HLCA rates maintained at 1999 levels.
\(^3\) Normal £27 million LFA support budget increased following the Action Plan for Farming announced following the Prime Minister’s summit in March 2000 in recognition of the pressures on livestock farming.
\(^4\) Claims paid out as at 10/11/03.

More than half of participants in Tir Mynydd receive two enhancements (56%). More than a third (37%) receive one enhancement. The number of Tir Mynydd participants taking up each individual enhancement is presented in Table A6.3.
### Table A6.3: Numbers taking up Enhancements under Tir Mynydd

<table>
<thead>
<tr>
<th>Enhancement</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enhancement A: business comprises at least one breeding cow for every 30 ewes</td>
<td>4,774</td>
<td>4,387</td>
<td>4,012</td>
</tr>
<tr>
<td>Enhancement B: registered organic with UKROFS, but not in the OFS</td>
<td>25</td>
<td>26</td>
<td>137</td>
</tr>
<tr>
<td>Enhancement C: at least 2% of farm under arable crops, root crops or horticultural crops</td>
<td>141</td>
<td>1,583</td>
<td>1,501</td>
</tr>
<tr>
<td>Enhancement D: stocking density at or below 1.2 LU/ha</td>
<td>9,724</td>
<td>8,259</td>
<td>7,988</td>
</tr>
<tr>
<td>Enhancement E: remove all stock from common grazing for 3 months</td>
<td>443</td>
<td>333</td>
<td>356</td>
</tr>
<tr>
<td>Enhancement F: at least 2% of farm under deciduous woodland managed for grazing and not under FWPS</td>
<td>1,596</td>
<td>200</td>
<td>259</td>
</tr>
<tr>
<td>Enhancement G: farm registered under approved farm assurance scheme</td>
<td>3,891</td>
<td>3,886</td>
<td>4,123</td>
</tr>
</tbody>
</table>

Tir Mynydd is by no means the only subsidy paid to farmers in the LFA area. In the first year of Tir Mynydd operation (2001), it accounted for little more than a quarter of total payments to all Welsh farms and therefore a greater proportion for those farms in LFAs (Table A6.4).

### Table A6.4: Subsidy payments to Welsh farms 2001

<table>
<thead>
<tr>
<th>Subsidy</th>
<th>£ million</th>
<th>Proportion of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tir Mynydd</td>
<td>42.2</td>
<td>26.8%</td>
</tr>
<tr>
<td>Sheep Annual Premium Scheme</td>
<td>67.0</td>
<td>42.7%</td>
</tr>
<tr>
<td>Suckler Cow Premium Scheme</td>
<td>22.1</td>
<td>14.1%</td>
</tr>
<tr>
<td>Beef Special Premium Scheme</td>
<td>25.8</td>
<td>16.4%</td>
</tr>
<tr>
<td>Total subsidy</td>
<td>157.0</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Source: http://www.wales.gov.uk/keypubstatisticsforwalesfigures/content/agriculture/inc_grant_sub.htm

### A6.4. Methodology

Since the Tir Mynydd scheme has only been running since 2001 there are relatively few data sets and studies to hand. A study by ADAS on the environmental effects of the scheme was carried out for the Countryside Council for Wales in August 2002. A study by the Welsh Institute of Rural Studies of socio-economic and environmental effects of the previous HLCA scheme (March 1998) provides some useful baseline data and background material.

#### A6.4.1. Primary data

Primary data were obtained from a telephone survey of 200 farmers in the LFA area. The sample was stratified by LFA status and by Economic Size Unit (ESU), thus there were six separate groups. As a result of the small number of contacts for farms in the DA with an ESU of more than 100 it was not possible to achieve one sixth of the interviews in this group. It is understood that the reason for this was simply because there are few farms in this category rather than a failure to supply enough contacts. Sample size in other groups was increased to compensate. A copy of the agreed questionnaire is provided in Section A6.1 of this Appendix. Some basic characteristics of the sample are presented in (Table A6.5).

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1 Full details of enhancement eligibility are contained in the following publication: *The Integrated Administration and Control System 2003*. 

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### Table A6.5: Characteristics of the sample

<table>
<thead>
<tr>
<th></th>
<th>SDA</th>
<th></th>
<th></th>
<th>DA</th>
<th></th>
<th></th>
<th>LFA</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of farms</td>
<td>121</td>
<td>79</td>
<td></td>
<td>200</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Economic Size Unit</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8-39</td>
<td>30</td>
<td>25%</td>
<td></td>
<td>31</td>
<td>39%</td>
<td></td>
<td>61</td>
<td>31%</td>
<td></td>
</tr>
<tr>
<td>40-100</td>
<td>48</td>
<td>40%</td>
<td></td>
<td>34</td>
<td>43%</td>
<td></td>
<td>82</td>
<td>41%</td>
<td></td>
</tr>
<tr>
<td>&gt;100</td>
<td>43</td>
<td>36%</td>
<td></td>
<td>14</td>
<td>18%</td>
<td></td>
<td>57</td>
<td>29%</td>
<td></td>
</tr>
<tr>
<td>Total area 2002 (ha)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt;100</td>
<td>24</td>
<td>20%</td>
<td></td>
<td>37</td>
<td>47%</td>
<td></td>
<td>61</td>
<td>31%</td>
<td></td>
</tr>
<tr>
<td>100-300</td>
<td>46</td>
<td>38%</td>
<td></td>
<td>36</td>
<td>46%</td>
<td></td>
<td>82</td>
<td>41%</td>
<td></td>
</tr>
<tr>
<td>&gt;300</td>
<td>51</td>
<td>42%</td>
<td></td>
<td>6</td>
<td>8%</td>
<td></td>
<td>57</td>
<td>29%</td>
<td></td>
</tr>
<tr>
<td>Age of applicant</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt;29</td>
<td>3</td>
<td>2%</td>
<td></td>
<td>1</td>
<td>1%</td>
<td></td>
<td>4</td>
<td>2%</td>
<td></td>
</tr>
<tr>
<td>30-39</td>
<td>18</td>
<td>15%</td>
<td></td>
<td>8</td>
<td>10%</td>
<td></td>
<td>26</td>
<td>13%</td>
<td></td>
</tr>
<tr>
<td>40-49</td>
<td>27</td>
<td>22%</td>
<td></td>
<td>20</td>
<td>25%</td>
<td></td>
<td>47</td>
<td>24%</td>
<td></td>
</tr>
<tr>
<td>50-59</td>
<td>41</td>
<td>34%</td>
<td></td>
<td>31</td>
<td>39%</td>
<td></td>
<td>72</td>
<td>36%</td>
<td></td>
</tr>
<tr>
<td>60-69</td>
<td>24</td>
<td>20%</td>
<td></td>
<td>14</td>
<td>18%</td>
<td></td>
<td>38</td>
<td>19%</td>
<td></td>
</tr>
<tr>
<td>70+</td>
<td>8</td>
<td>7%</td>
<td></td>
<td>5</td>
<td>6%</td>
<td></td>
<td>13</td>
<td>7%</td>
<td></td>
</tr>
<tr>
<td>Gender</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>107</td>
<td>88%</td>
<td></td>
<td>61</td>
<td>77%</td>
<td></td>
<td>168</td>
<td>84%</td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>14</td>
<td>12%</td>
<td></td>
<td>18</td>
<td>23%</td>
<td></td>
<td>32</td>
<td>16%</td>
<td></td>
</tr>
<tr>
<td>Occupation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Full-time farming</td>
<td>108</td>
<td>89%</td>
<td></td>
<td>64</td>
<td>81%</td>
<td></td>
<td>172</td>
<td>86%</td>
<td></td>
</tr>
<tr>
<td>Part-time farming</td>
<td>10</td>
<td>8%</td>
<td></td>
<td>13</td>
<td>16%</td>
<td></td>
<td>23</td>
<td>12%</td>
<td></td>
</tr>
</tbody>
</table>

As would be expected in the LFA, the vast majority of the sample were livestock farms with 99% rearing breeding ewes, 80% with other sheep and 73% rearing beef cattle. Some 17% of the sample had dairy cattle though the vast majority of these were to be found in the DA area. Only 4% of farms grew wheat with 15% growing other cereals.

The relatively small size of the sample inevitably means that data where there are small numbers of respondents have limited use in analysis given the agreed stratification. This limitation should be borne in mind should it be decided to carry out survey work for the ex-post evaluation study.

**A6.4.2. Secondary data**

Secondary data were requested from a number of sources within the Welsh Assembly Government. The main sources and topics requested were:

- **Integrated Administrative and Control System (IACS):** data including the number of Tir Mynydd claimants, average payment per farm, take-up of enhancements.
- **Farm Business Survey:** data on costs and net farm income, income from non-farm activities, gender of farmer, and utilised agricultural area (UAA).
- **June 2002 Agricultural Census:** data on farm size, changes in land area, area of fallow, and non-agricultural activity.
In practice, however, much of this secondary data proved far less useful than was originally expected. In some cases this was because of commonly found problems dealing, for example, with time series. The Population Census, for example, has data on second homes for 2001, but no such category was recorded for the 1991 Census. In many cases the data were either not actually available or were deficient for reasons of data quality and/or reliability. Specifically the following problems were encountered:


- **Farm Business Survey**:
  - Gender information was not available, despite cell B2 of the FBS form specifying gender of farmer.
  - Information on semi-integrated non-agricultural activities reported as being zero for the Wales LFA area.
  - Data on integrated non-agricultural activities not trustworthy because they include, *inter alia*, the Tir Mynydd payments.
  - Data on fully independent activities of farmer and spouse relate to a very few returns and are therefore not reliable.

- **Agricultural Census**:
  - The overall response rate from this apparently compulsory survey is only 65%, with lower responses on some questions.
  - The area of bare fallow is very small and therefore results are unreliable and potentially inconclusive.
  - Diversification data have a very low response rate and therefore there is a ‘data quality issue’.
  - Apparent changes between years in the agricultural area of a farm (gains and losses) are generally small and relate not to real changes in farm size, but rather to field measurement changes for the IACS data.

- **Population Census**:
  - Calculation of data for the LFA area are not available (and therefore data for the nine rural UAs are used instead).

There are clearly implications for any future studies of the Tir Mynydd scheme (and the ex-post evaluation after 2006). Indeed the data gaps identified during this evaluation may have wider implications for other work on the Welsh rural/agricultural situation. A recommendation from this study is that there should be a thorough review of the main data sources with a view to improving accuracy and response rates. Moreover, it would be helpful if relevant data from non-agricultural sources (e.g. Population Census) are routinely processed using GIS technology so that they are available for the LFA area.
Other secondary information was obtained from interviews with scheme managers and from a wide range of other publications.

A6.5. Commission questions

A6.5.1. Question 1. To what extent has the scheme contributed to: (i) offsetting the natural handicaps in LFAs in terms of high production costs and low production potential. and (ii) compensating for costs incurred and income foregone with environmental restrictions? (LFA and AER)

A6.5.1.1. Evidence from secondary data

Average net farm income on cattle and sheep farms in the Welsh LFA area has been very volatile over the last decade, a situation further complicated by the effects of the Foot and Mouth outbreak in 2001. Evidence from the Farm Business Survey suggests that average net farm income fell to £1,700 in 2001/02 (the first year of Tir Mynydd operation) and was expected to rise to £6,000 in 2002/03. In this context it would appear that the Tir Mynydd payments averaging c.£3,500 per farm were crucial to bolstering farm incomes in 2001 and even with the expected improvement in 2002/03, the payments remain very important in contributing to farm incomes.

A6.5.1.2. Evidence from the survey

Table A6.6 lists the main difficulties which farmers felt that they faced in farming in a LFA.

<table>
<thead>
<tr>
<th>Difficulties of farming in the LFA</th>
<th>Proportion of respondents citing this difficulty</th>
<th>LFA status</th>
<th>Economic Size Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>SDA (n = 121)</td>
<td>DA (n = 79)</td>
</tr>
<tr>
<td>Relief/geography of the farm</td>
<td>40%</td>
<td>30%</td>
<td>36%</td>
</tr>
<tr>
<td>Climate/weather</td>
<td>28%</td>
<td>18%</td>
<td>31%</td>
</tr>
<tr>
<td>High costs</td>
<td>12%</td>
<td>10%</td>
<td>11%</td>
</tr>
<tr>
<td>Fragmented fields</td>
<td>14%</td>
<td>5%</td>
<td>8%</td>
</tr>
<tr>
<td>Bureaucracy</td>
<td>9%</td>
<td>10%</td>
<td>7%</td>
</tr>
<tr>
<td>Extra transport costs</td>
<td>10%</td>
<td>8%</td>
<td>5%</td>
</tr>
<tr>
<td>Low returns/low subsidy</td>
<td>10%</td>
<td>8%</td>
<td>8%</td>
</tr>
<tr>
<td>Remoteness/Distance</td>
<td>9%</td>
<td>8%</td>
<td>8%</td>
</tr>
<tr>
<td>Short growing season</td>
<td>10%</td>
<td>5%</td>
<td>11%</td>
</tr>
<tr>
<td>Irregular/late payments</td>
<td>8%</td>
<td>5%</td>
<td>-</td>
</tr>
<tr>
<td>Poor quality of land</td>
<td>7%</td>
<td>8%</td>
<td>8%</td>
</tr>
</tbody>
</table>

While physical handicaps were recognised by a significant proportion of the sample, only about one in ten farmers specifically cited high costs or low returns. This suggests that farmers see the Tir Mynydd payments predominantly as compensation for putting up with difficult farming conditions.
rather than as a direct counterbalance to the higher costs/lower returns that follow. Yet Tir Mynydd payments are clearly seen as crucial to compensating for handicaps as a whole (Table A6.7), especially in the SDA area.

Table A6.7: The perceived importance of Tir Mynydd payments

<table>
<thead>
<tr>
<th>Importance</th>
<th>LFA status</th>
<th>Economic Size Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>SDA (n = 121)</td>
<td>DA (n = 79)</td>
</tr>
<tr>
<td>Very important</td>
<td>92%</td>
<td>66%</td>
</tr>
<tr>
<td>Quite important</td>
<td>6%</td>
<td>29%</td>
</tr>
<tr>
<td>Neither important nor unimportant</td>
<td>-</td>
<td>4%</td>
</tr>
<tr>
<td>Not really important</td>
<td>2%</td>
<td>1%</td>
</tr>
<tr>
<td>Don't know</td>
<td>1%</td>
<td>-</td>
</tr>
</tbody>
</table>

The financial significance of the Tir Mynydd payments in relation to total household income can be seen from (Table A6.8). Bearing in mind that farm incomes have been very low in recent years (i.e. over the period when farmer perceptions would have been formed), it would appear at first sight that there is little evidence of overcompensation through Tir Mynydd payments. Sixty two percent of farmers in the LFA as a whole reported compensation levels below 25% of total household income while this proportion rises to almost three-quarters (71%) in the DA area.

These broad data appear not to vary much across the range of farms surveyed though there is a slight suggestion that larger farms (as measured by ESUs and by physical size) are rather more dependent upon Tir Mynydd for bolstering household income. Not surprisingly, households where the farm is not the main income source reported relatively small proportions of their total income as coming from the Tir Mynydd payments.

Table A6.8: Tir Mynydd payments in relation to total household income (LFA status and size group)

<table>
<thead>
<tr>
<th></th>
<th>LFA status</th>
<th>Economic Size Unit</th>
<th>Farm area</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>SDA (n = 121)</td>
<td>DA (n = 79)</td>
<td>8-39 (n = 61)</td>
</tr>
<tr>
<td>Less than 10%</td>
<td>23%</td>
<td>42%</td>
<td>31%</td>
</tr>
<tr>
<td>11-25%</td>
<td>31%</td>
<td>29%</td>
<td>31%</td>
</tr>
<tr>
<td>26-50%</td>
<td>21%</td>
<td>6%</td>
<td>18%</td>
</tr>
<tr>
<td>51-99%</td>
<td>10%</td>
<td>3%</td>
<td>2%</td>
</tr>
<tr>
<td>100%</td>
<td>2%</td>
<td>1%</td>
<td>2%</td>
</tr>
<tr>
<td>Don't know</td>
<td>13%</td>
<td>19%</td>
<td>16%</td>
</tr>
</tbody>
</table>

The majority of farms reported no change in the proportion of their income coming from Tir Mynydd payments between 2000 and 2002. Of the 36 farms where there had been a change, 24
reported a decrease in the proportion and just 12 reported an increase suggesting that if anything there has been a slight lessening in the overall dependency upon the scheme.

A6.5.1.3. Conclusions

- The objectives of Tir Mynydd relate to maintaining social fabric in upland rural communities and the preservation of the farmed upland environment and not to offsetting natural handicaps, although the schemes action can be interpreted in this light.
- The ratio of premium to higher production costs/lower output value is not considered to be wholly appropriate given that there is no information concerning the magnitude of higher production costs/lower output value. It is therefore not possible to assess the extent to which Tir Mynydd compensates for these handicaps.
- A more detailed study which attempts to measure the actual effect of physical limitations upon costs and output levels should be undertaken.
- Tir Mynydd payments appear to be seen by farmers as a direct compensation for putting up with harsh physical conditions rather than as a compensation for higher costs and lower returns.
- Farmers overwhelmingly see Tir Mynydd as crucial to the maintenance of farming in the Welsh hills and uplands.
- While Tir Mynydd payments are an important element in most farming household income, relatively few households appear to be very heavily dependent upon Tir Mynydd payments. However it should be remembered that there are other support schemes (especially the Sheep Annual Premium Scheme) which bolster farm incomes.
### Table A6.9: Question 1 summary results

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Indicator</th>
<th>Results</th>
</tr>
</thead>
</table>
| I. The income deficit due to natural handicaps or environmental restrictions is offset by compensatory allowances or payments. | I.1 Ratio of (premium) to (higher production costs + reduction in value of farm output). | • There is no evidence to suggest that the ratio exceeds 1. The conclusion is therefore that premiums are lower than any combined higher production costs/lower value output.  
• Because the magnitude of higher production costs/reduction in value of output is not known (and in any case is likely to vary across the LFA), it is not possible to actually construct this ratio.  
• However, farmers believe that Tir Mynydd payments are crucial to bolstering farm incomes and offsetting natural handicaps particularly in the light of recent low income levels, the foot and mouth epidemic, etc. 82% of farmers think that Tir Mynydd payments are very important (15% quite important) in compensating farmers for natural handicaps. |
| I.2 Share of holdings where premium is:                                  | a) <50% (higher production costs + decreasing value of farm output);      | • There is no evidence for any over-compensation through Tir Mynydd.  
• Because higher production costs/reduced output value are unknown this question cannot be answered precisely. However, 62% of farmers in the LFA area reported compensation levels below 25% of total household income.  
• Only about 9% of farmers reported compensation levels of between 51% and 100% of total household income (4% in the DA area; 12% in the SDA area). |
|                                                                         | b) (%) between 50-100% of (higher production costs + decreasing value of farm output (%); |                                                                                                                  |
|                                                                         | c) >90% of (higher production costs + decreasing value of farm output (%). |                                                                                                                                                                                                                                                                          |
A6.5.2. Question 2. To what extent have compensatory allowances helped in ensuring continued agricultural land use?

A6.5.2.1. Evidence from secondary data

Information from the Agricultural Census suggests that there has been little change between 2000 and 2002 in the number of holdings within the LFA. In the DA part of the LFA numbers of holdings declined by just 233 holdings, while in the SDA area the number of holdings actually increased by 193. There is therefore a suggestion that holding size may have decreased slightly in the SDA area whereas it may have increased slightly in the DA area. Overall these data suggest that Tir Mynydd may have contributed (along with other support measures) to maintaining agricultural land use.

This is corroborated by the number of approved claims under Tir Mynydd which did decline between 2001 and 2002 (probably as a result of farm amalgamation), but since then have held firm (see Table A6.1).

A6.5.2.2. Evidence from the survey

While the great majority (88%) of farms did not change their farmed area between 2000 and 2002, around one in ten farms increased the area farmed. Evidence from Assembly staff, however, suggested that many of these changes were relatively minor in terms of the land areas involved and so it is important not to read too much into them, particularly bearing in mind the short time period involved. Nonetheless the data suggest an overall stability in holding size and a slight preponderance of increases rather than decreases where there has been change. In both cases there is no suggestion of land abandonment.

Just under two thirds (60%) of all changes (both positive and negative) involved farmers renting more land while a quarter of all changes involved land purchases. Some 11% of respondents considered that the Tir Mynydd payments had been a significant factor in causing any changes and these respondents tended to be the younger farmers who were farming larger holdings and employing non-family labour.

Overall farmers in the LFA seem to think that Tir Mynydd has had an influence in encouraging farming continuity. While only 7% of farmers thought that the scheme was the sole reason for them continuing to farm, along with other factors it was seen as a positive influence by over half (60%). The importance of Tir Mynydd in this respect declined with the age of the respondent with young farmers being especially positive about the scheme as an influence on their commitment.

A6.5.2.3. Conclusions

- By providing an income supplement to farmers in the LFA the compensatory allowances will have made all farms more economically viable. For some farms this will mean the difference between leaving the sector and carrying on.
• Both primary and secondary data suggest that agricultural land use has continued during the time that Tir Mynydd has been in operation.

• Farmers are clear in their view that Tir Mynydd is significantly responsible for maintaining farming in the hills and uplands.

• There is some evidence from the survey that about one in ten farms have seen an increase in farm size since 2000.

Table A6.10: Question 2 Summary results

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Indicator</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Agricultural land use continued.</td>
<td></td>
</tr>
<tr>
<td>1.1</td>
<td>Change in Utilised Agricultural Area (UAA) in LFAs (hectares and %).</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• There is no evidence of land abandonment.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• The vast majority (88%) of farms had not changed in size since 2000.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Where changes had occurred they were rather more likely to have involved increased holding size.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• 60% of farmers considered that the Tir Mynydd scheme was, in association with other schemes (and therefore by implication with the RDP as a whole), a positive influence on maintaining farming in the hills and uplands.</td>
<td></td>
</tr>
</tbody>
</table>

A6.5.3. Question 3. To what extent have compensatory allowances contributed to the maintenance of a viable rural community?

A6.5.3.1. Evidence from secondary data

The study by the Welsh Institute of Rural Studies (WIRS, 1998) in general argued that the HLCA scheme did contribute to the maintenance of the rural community - ‘the HLCA scheme is recognised as playing an important role in maintaining farming and population in the hills and uplands of Wales’ (pix). However, this conclusion was based on scanty statistical evidence and was generally concluded from an ‘impression’ (sic) gained from case studies. Moreover, the study also argued that payments ‘have not been as effective as they might have been. Too much has been paid to larger farmers in order to achieve this social benefit’, and it recognised that ‘the wider communities in the hills and uplands are perceived to be in a state of rapid change, with considerable in-migration and decline in services’.

While the numbers of farmers and spouses has declined by only a small amount between 2000 and 2002 (28,355 to 28,212), the fall in the number of hired workers has been more significant. Numbers fell by 682 in the LFA area, a decline on 8.5% in just two years (data from Agricultural Census). These data suggest that while the core farming community is probably being maintained,
employment of non-family members is declining quite rapidly with probable implications for employment structures and out migration.

Information from the Population Census is not available for the LFA area itself (see above) and accordingly it has only been possible to consider data from the nine rural Unitary Authorities. In fact, this lack of data availability is probably of fairly minor significance since the LFA area covers such a high proportion of the area of these nine authorities.

The latest data on population come from the 2001 Population Census and the mid-2001 population estimates, and as such pre-date the introduction of the Tir Mynydd scheme. However, the HLCA scheme which was previously in force was in significant ways similar to the Tir Mynydd scheme and so some indication of possible demographic effects may be helpful. While the overall population of rural Wales increased between 1991 and 2001 by some 2.8% (in contrast to the previous decade), population in the cohorts 16-24 and 25-44 fell (by 11.3% and 3.2% respectively). While the younger cohort substantially reflects migration for education, the loss in the older cohort suggests that support policies are failing to maintain population levels in the major working age group. The Assembly’s proposal in 2002 whereby farmers can receive extra payment if they involve a partner under the age of 40 would appear to address this imbalance, but the small numbers of farmers relative to the overall population, even in the most agricultural areas, is not likely to make much difference in crude numeric terms. It should be noted however that respondents to the limited survey carried out by ADAS (see below) were generally supportive of this proposal and the report concluded that the change would have a positive effect.

A significant proportion of the overall population growth (30,215) in this period was to be found in the 65 and over age cohorts (7,939, more than a quarter) with an especially high rate of growth (29.6%) in the 85+ cohort. These changes must have potentially serious implications for the sustainability of the rural communities within the LFA area.

The numbers employed in agriculture in rural Wales have fallen between 1991 and 2001. While all authorities showed a decline in the agriculturally employed population, the loss was especially high in percentage terms in Anglesey and Cardiganshire, although agriculture was and remains a more significant employer in the latter case (Figure A6.2).
The maintenance of a viable rural community is understandably both a rather vague concept and also one which may be seen to have several component parts and indicators. It could involve the basic maintenance of the population and its structure as well as issues relating to perceptions on the
quality of life, the existence of rural services and the development of new businesses and income sources.

There is also arguably a link with the previous question and the continuity of farming within the LFA. Around a fifth (19%) of respondents thought that there would be some change in management structure during the next three years. In one out of five cases this was expected to involve taking on more land (buying or renting), the same proportion as giving up farming altogether. All in all there is little evidence from the survey that farm household structure is likely to change radically in the short-term, though there is less certainty about the sustainability of the wider rural social structure.

Respondents to the survey were in general quite clear that the Tir Mynydd scheme had contributed in a number of ways which had maintained the rural community (Table A6.11). There was little variation amongst farmers in this general view, even when the importance of Tir Mynydd to the total household income was considered. Even those who received relatively little from the scheme appeared to feel that it made an important contribution in this regard.

Table A6.11: Tir Mynydd and the rural community

<table>
<thead>
<tr>
<th>Proportion of respondents citing this response</th>
<th>LFA status</th>
<th>Economic Size Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>SDA (n = 121)</td>
<td>DA (n = 79)</td>
</tr>
<tr>
<td>Maintaining the rural population</td>
<td>63%</td>
<td>49%</td>
</tr>
<tr>
<td>Maintaining or building a stronger rural community</td>
<td>60%</td>
<td>51%</td>
</tr>
<tr>
<td>Maintaining the Welsh language and cultural heritage of the area</td>
<td>45%</td>
<td>35%</td>
</tr>
<tr>
<td>Attracting tourism to the area</td>
<td>28%</td>
<td>29%</td>
</tr>
<tr>
<td>Attracting new business investment</td>
<td>27%</td>
<td>28%</td>
</tr>
<tr>
<td>Attracting new people into the area</td>
<td>16%</td>
<td>13%</td>
</tr>
<tr>
<td>No contribution</td>
<td>21%</td>
<td>27%</td>
</tr>
</tbody>
</table>

Of the 185 farms which were considered to be ‘traditional Welsh family farms’, a clear majority believed that Tir Mynydd had contributed significantly to its maintenance (Table A6.12). As might be expected the support for Tir Mynydd was stronger in the SDA area and there is a slight suggestion that it was stronger amongst smaller farms.

Table A6.12: Tir Mynydd and the traditional Welsh family farm

<table>
<thead>
<tr>
<th>Proportion of respondents citing this response</th>
<th>LFA status</th>
<th>Economic Size Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>SDA (n = 113)</td>
<td>DA (n = 72)</td>
</tr>
<tr>
<td>Has certainly helped maintain</td>
<td>73%</td>
<td>58%</td>
</tr>
<tr>
<td>Has possibly helped maintain</td>
<td>18%</td>
<td>31%</td>
</tr>
</tbody>
</table>
Has not helped maintain | 10% | 11% | 7% | 10% | 15% | 10%

However, the picture is a little less clear when the more precise questions of job security and farm employment are considered. Respondents were asked whether they felt that the RDP as a whole had made jobs more secure. Forty two percent considered that the RDP had been effective in this way with little variation by LFA status or farm size. Linked to this, the survey showed that some 26% of farm households had seen family members taking off-farm employment in the previous three years. These moves were generally by sons and daughters (73% of cases) and tended, as might be expected, to be disproportionately found in households where the head was in his/her fifties. The jobs which they had gone to were quite varied, but about one third were reported as agricultural contracting, building/construction and driving. It seems likely therefore that many of the new jobs were fairly local and that those who had left agriculture remained in the local area.

Across the whole range of farms/households 69% of respondents felt that their income was below that of their non-farming neighbours and so it is perhaps not surprising that so many households had seen moves to non-farm employment. Yet one suspects that this household income discrepancy is not in itself a major driver to destabilise the rural community. It is probably a situation which has been recognised for a long time and as such is accepted as normal. While it might encourage other employment it does not necessarily follow that people would want to move from the area if this can be avoided. It might be argued that, while there is a general view that the RDP and especially the Tir Mynydd scheme is contributing to keeping families in the community, it is probably less successful in keeping them working on farms.

**A6.5.3.3. Conclusions**

- By maintaining farms in production Tir Mynydd is likely to have had an indirect effect in terms of helping to maintain a viable rural community.
- The findings of the Welsh Institute of Rural Studies research on the impact of HLCA payments seem to be corroborated by the survey of Tir Mynydd: payments do play an important role in maintaining farming and population in the hills and uplands of Wales.
- Population change during the operation of the Tir Mynydd scheme has been small. Overall the population of rural Wales increased during the inter-censal period 1991-2001 during which time the HLCA scheme was in operation. However, population levels in the 16-24 and 25-44 age groups declined and the latter change in particular gives some cause for concern in relation to the maintenance of the working population and the reduced potential in relation to incoming entrepreneurs².
- Tir Mynydd is generally seen by beneficiaries as contributing to rural community maintenance, especially in terms of maintaining the rural population and strengthening the rural community.

² The reality of population change in Wales is complex and the reader should refer to Appendix 9, Section A9.4.2.3. for further details.
Table A6.13: Question 3 Summary results

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Indicator</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Continued agricultural land use is critical for the maintenance of a viable rural community.</td>
<td>1.1 Evidence of continued agricultural land use as critical for the maintenance of viable rural communities (description).</td>
<td>The survey suggests that farmers in the LFA believe that Tir Mynydd (and by extension agriculture) makes a contribution to the maintenance of viable rural communities.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 58% of survey respondents claimed that Tir Mynydd contributed to maintaining the rural population.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 56% claimed that it helped to maintain or build a stronger rural community.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 41% that it helped maintain the Welsh language and culture.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 29% that it helped attract tourism.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 28% that it helped attract new business investment.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 15% that it helped attract new people to the area.</td>
</tr>
<tr>
<td>2. Fair standard of living for farmers.</td>
<td>2.1 Ratio of (family farm income + off-farm income of holder and/or spouse) to (average family income in NUTS 2).</td>
<td>69% of farmers felt that their household income fell below that of their non-farming neighbours. This is more the result of external factors (such as FMD and the strength of Sterling vis-à-vis the Euro) than a failure in Tir Mynydd to provide support.</td>
</tr>
</tbody>
</table>

A6.5.4. Question 4. To what extent has the scheme contributed to the protection of the environment: (i) by maintaining or promoting sustainable farming that takes account of environmental protection requirements in LFAs?

A6.5.4.1. Evidence from secondary data

The study by ADAS for the Countryside Council for Wales on the potential effects of the Tir Mynydd scheme on the landscape, environment and biodiversity of Wales (ADAS, 2002) provides some evidence to answer this question. The report mentions the same caveats which apply to this study (the significance of other schemes, the relative ‘youth’ of the scheme, the influence of the foot and mouth epidemic), but the general conclusions were that there would be environmental benefits arising from reduced stocking, reduced fertiliser use and more sensitive environmental management.
This study also highlighted some possible adverse environmental effects such as increased stocking on some farms. Proposals from the Welsh Assembly Government to remove benefits from stocking with both cattle and sheep, to encourage arable rotation and taking stock away from common grazing in winter were seen as potential environmental disbenefits, presumably on the grounds that they would discourage mixed farming.

Evidence relating to the uptake of enhancements shows that 137 participants in Tir Mynydd (just over 1%) in 2003 were eligible for Enhancement B relating to use of organic farming practices whilst not being involved in either the Organic Aid Scheme or the OFS. Fourteen percent of participants in 2003 were in receipt of Enhancement C which promotes arable farming, 74% qualified for Enhancement D where stocking density must be below 1.2 LU/ha and 2% of participants qualified for Enhancement F promoting managed woodland outside the Farm Woodland Premium Scheme. The extent to which these participants changed their farming practices to ensure that they received supplements is not known. However, given that 93% of participants are in receipt of at least one enhancement supplement, it appears that these enhancements do make at least some contribution to protecting the environment.

A6.5.4.2. Evidence from the survey

Half the farmers in the survey reported that, as a direct result of receiving the Tir Mynydd payments, they had improved landscape, environment or animal welfare on their farms (Table A6.14). It would appear that there is a slight tendency for these actions to be undertaken more commonly on the larger holdings.

**Table A6.14: Actions to improve landscape, environment and animal welfare**

<table>
<thead>
<tr>
<th>Action</th>
<th>LFA status</th>
<th>Economic Size Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>SDA (n = 121)</td>
<td>DA (n = 79)</td>
</tr>
<tr>
<td>Landscape improvements</td>
<td>31%</td>
<td>22%</td>
</tr>
<tr>
<td>Environmental improvements</td>
<td>31%</td>
<td>24%</td>
</tr>
<tr>
<td>Animal welfare improvements</td>
<td>31%</td>
<td>33%</td>
</tr>
<tr>
<td>One or more improvements</td>
<td>52%</td>
<td>48%</td>
</tr>
<tr>
<td>No improvements</td>
<td>48%</td>
<td>52%</td>
</tr>
</tbody>
</table>

The most common actions involved the creation or renovation of hedges and, from the animal welfare viewpoint, the improvement in housing for stock (Table A6.15). Other actions, for example, creating woodland, water features and new habitat, and renovating traditional buildings, typically were only reported on a minority (6-11%) of farms. There is some evidence that these actions were more likely to be found on the larger farms although improvements to animal housing seemed more characteristic of the smaller farms in the DA area.
Environmental improvements through decreased stocking densities are a direct intention of the Tir Mynydd scheme with regard to the change to an area-based payment and the enhancements. The evidence here is not encouraging. While 10% of farmers (mainly in the SDA area) reported that they had reduced stocking densities, a small number (14%) had actually increased densities. At the very least it would appear that this outcome has yet to be realised. In the same way only three (small) farmers reported a decline in the use of fertiliser. It would seem likely therefore that any environmental improvements which have occurred have generally been of a cosmetic nature rather than actions relating to more benign environmental management practices.

Table A6.15: Actions relating to landscape, environment and animal welfare

<table>
<thead>
<tr>
<th>LFA status</th>
<th>Economic Size Unit</th>
<th>Farm size</th>
</tr>
</thead>
<tbody>
<tr>
<td>SDA (n = 63)</td>
<td>DA (n = 38)</td>
<td>8-39 (n = 26)</td>
</tr>
<tr>
<td>Created new hedges</td>
<td>33%</td>
<td>26%</td>
</tr>
<tr>
<td>Additional animal housing</td>
<td>17%</td>
<td>34%</td>
</tr>
<tr>
<td>Renovated existing hedges</td>
<td>21%</td>
<td>24%</td>
</tr>
<tr>
<td>Renovated existing walls</td>
<td>14%</td>
<td>11%</td>
</tr>
<tr>
<td>Created woodland</td>
<td>10%</td>
<td>13%</td>
</tr>
<tr>
<td>Reduced average stocking density</td>
<td>14%</td>
<td>3%</td>
</tr>
<tr>
<td>Built new fence</td>
<td>8%</td>
<td>11%</td>
</tr>
<tr>
<td>Created water features</td>
<td>5%</td>
<td>11%</td>
</tr>
<tr>
<td>Planted new habitat</td>
<td>3%</td>
<td>11%</td>
</tr>
<tr>
<td>Renovated traditional</td>
<td>8%</td>
<td>3%</td>
</tr>
<tr>
<td>Created new traditional</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>I have increased</td>
<td>5%</td>
<td>3%</td>
</tr>
<tr>
<td>I use less fertiliser</td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td>Renovated woodland</td>
<td>2%</td>
<td>3%</td>
</tr>
</tbody>
</table>

There was only a limited amount of synergy with other schemes in the Rural Development Plan. Overall about one in five farms were also registered for the Tir Gofal scheme, rising to one in four in the SDA area. There was also a suggestion that this link was slightly more common with younger farmers and on larger farms.

3 However, it should be pointed out that not all the enhancements are thought to offer protection to the environment and therefore the proportion of participants receiving supplemental payments does not equate to the proportion providing environmental protection.
A6.5.4.3. Conclusions

- Tir Mynydd does not address this issue directly, although does contain voluntary environmental enhancement options. Whilst 93% of participants qualify for at least 1 supplemental payment, this does not mean that this proportion contributes to protecting the environment as not all enhancements can be said to work in this way. However, at least some proportion of those receiving enhancements are contributing to protecting the environment. Almost three quarters (74%) of participants are in receipt of supplemental payments for maintaining a stocking density below 1.2 LU/ha; 14% maintain arable farming; 2% maintain woodlands outside of the Farm Woodland Premium Scheme; and 1% produce organically outside the OFS.

- The second indicator is not considered to be appropriate as there is no causal link between less intensive production methods and the Tir Mynydd scheme. However, there is an enhancement for farming organically and stocking restrictions as part of the eligibility criteria (and more restrictive ones as an enhancement) do make indicators a) and c) relevant.

- Tir Mynydd appears to have been directly responsible for some environmental improvements on about half of all farms.

- However, environmental actions seem to be predominantly of a cosmetic, landscape type rather than related to environmental management issues such as overgrazing and pollution.
Table A6.16: Question 4 Summary results

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Indicator</th>
<th>Results</th>
</tr>
</thead>
</table>
| 1. Maintenance/promotion of sustainable farming. | 1.1 Share under environmentally benign farming systems (hectares and %):                                                | **• Data were not collected for b) because this indicator was considered inappropriate.**  
  a) used for organic farming (hectares and %);  
  b) used for integrated farming or integrated pest management (hectares and %);  
  c) used as pasture with less than 2LU/ha (hectares and %). |
  |                                               | 1.1 Share under environmentally benign farming systems (hectares and %):                                                | **a) Area under organic farming as a Tir Mynydd enhancement is unknown, but 1% of participants farm organically outside specific schemes.**  
  b) used for integrated farming or integrated pest management (hectares and %);  
  c) used as pasture with less than 2LU/ha (hectares and %). |
  |                                               | 1.1 Share under environmentally benign farming systems (hectares and %):                                                | **c) Stocking density limits are below 2.0LU/ha (from 2003), so 100% of the pasture in the LFA has a stocking density lower than 2.0LU/ha. 74% of participants have a stocking density of less than 1.2 LU/ha.** |
  |                                               | 1.1 Share under environmentally benign farming systems (hectares and %):                                                | **• Half of all farmers surveyed reported that, as a direct result of receiving Tir Mynydd payments, they had undertaken landscape, environment or animal welfare improvements. Roughly one third of farmers had undertaken each one of these improvements (i.e. several had undertaken more than one).** |
  |                                               | 1.1 Share under environmentally benign farming systems (hectares and %):                                                | **• Hedgerow creation and renovation and animal housing improvements were the most commonly reported activities.** |
  |                                               | 1.1 Share under environmentally benign farming systems (hectares and %):                                                | **• Only 10% of farmers overall had reduced their stocking density, mainly in the SDA area (14%) of farmers.** |
  |                                               | 1.1 Share under environmentally benign farming systems (hectares and %):                                                | **• There was a limited amount of synergy with other RDP schemes. Overall one in five farmers were also signed up to the Tir Gofal scheme, rising to one in four in the SDA area. Joint membership was slightly more likely on the larger farms and where farmers were younger.** |
A6.6. National questions

The methodology for addressing the national questions was the same as that used for the Commission questions (i.e. secondary data and a telephone survey of Tir Mynydd participants). In addition the evidence from the focus groups is interesting in one particular respect. When participants were asked about the various schemes within the RDP, there was virtually no mention of the Tir Mynydd scheme. Only in one area (Rhayader) was there ‘some awareness’ of the scheme. This suggests that LFA payments have been in place for so long and are so universal within the relevant area (in itself some 77% of the total Welsh agricultural area) that they have become taken for granted and are in effect seen implicitly as a form of social security support, divorced from wider rural development policy. This would seem to have implications for the interpretation of survey results in particular since it follows that it is often difficult to link specific changes, developments, opinions, and so on, to the Tir Mynydd payments in the way, for example, that environmental outputs can be more closely linked to Tir Gofal payments.

A6.6.1. Is there a valid economic rationale for the Tir Mynydd scheme?

Tir Mynydd effectively provides an income supplement to the generally low farm incomes found in rural Wales. However, LFA designation has undoubtedly been influenced within a political process as much as being based on any objective criteria and it is clear that the Tir Mynydd scheme is seen by politicians, bureaucrats and farmers themselves as a necessary general investment in a variety of outputs from the rural community. There is likely therefore to be relatively little concern as to whether there is sufficiently sensitive economic rationale for providing particular levels of assistance to farmers within the current LFA.

It follows that there is a prima facie issue about the existence of over-compensation. It is certainly likely that the conditions facing LFA farmers change continuously across the LFA area from the non-LFA border to the DA/SDA border and therefore there will be some farmers under-compensated and some over-compensated for the disadvantages they face. However, it is interesting to note that respondents in the DA generally receive a lower proportion of their total household income from Tir Mynydd compared to those in the SDA (mean 16% c.f. 27%) as Figure A6.3 shows. This suggests that the relative importance of Tir Mynydd payments for household income is broadly being directed where there is greater need (i.e. in the SDA area), and that farmers in less difficult LFA areas are less likely to have been over compensated. Whilst this evidence does not demonstrate an absence of over or under-compensation, it certainly does not provide evidence for it.
The existence of the taper (see above) which operates to limit payments to large farms does not seem to be very effective. Fourteen percent of farms in excess of 100 ESUs reported that they...
received payments that represented more than 51% of total households income while the proportions for those between 40 and 100 ESUs and between 8 and 39 ESUs were 8% and 4% respectively.

**A6.6.2. To what extent have the scheme objectives been met?**

The broad objective to maintain the social fabric of upland rural communities through continued agricultural land use would seem to be reasonably well met by the scheme. More than half (60%) of all respondents felt that the scheme had had a positive influence in their decision to keep farming, slightly more so in the SDA. Though there has been significant transition to non-farming jobs especially by young people, this has not been seen as necessarily weakening the rural community. Again, while farmers see their income position in relation to non-farmers as being poor (and by implication not improved sufficiently by receipt of scheme payments), it would not seem that this perception presents a serious threat to the viability of the rural community.

The objective to help preserve the farmed upland environment through sustainable farming methods is perhaps less easy to prove. There is little evidence from the survey that there has been any change towards more mixed farming methods. Farms remain very dominated by stock rearing and especially by sheep production. The potential vulnerability of this system, for example to a recurrence of the foot and mouth epidemic, will be clear.

**A6.6.3. Are the project selection procedures appropriate?**

There are no individual projects identified within the Tir Mynydd scheme - payments are made in general to the farm providing certain basic criteria are met. The formal selection procedure requires that, providing the farm is predominantly within the LFA, fulfils the necessary criteria and the farmer has ticked the relevant box on the IACS form, then the applicant will receive a payment.

In discussion with the scheme representatives it was explained that in the first year of the new scheme there seemed to be some confusion amongst farmers about Tir Mynydd. Some thought it was another agri-environment scheme like Tir Gofal and did not tick the Tir Mynydd box on the IACS form. Where applicants had demonstrated elsewhere on the form that they farmed in the LFA (such as claiming for the Sheep Annual Premium LFA supplement) Assembly officials did not require them to submit a separate application for Tir Mynydd. Officials were aware of the uncertainty and confusion in the industry associated with introduction of the area based scheme and viewed this oversight in the first year sympathetically.

Finally, of general relevance to this point, consideration should be given to a recent report of the Court of Auditors (Court of Auditors Special report No 4/2003 concerning rural development support for less favoured areas). Major criticisms of LFA support across the European Union centred on the lack of evidence for the objective classification of LFAs and the danger of over-compensation in the absence of sound information on the impact of the LFA measure (see also Agra CEAS Consulting evaluation for the EU Commission of Regulation 950/97 under which LFA payments were made between 1994 and 1999). While there is no specific evidence for Wales in this report, it
would seem appropriate that a more detailed examination of the Court of Auditors’ criticisms be undertaken in the Welsh context, especially bearing in mind that over three-quarters of the agricultural area of Wales has been designated as LFA.

**A6.6.4. Is the system of administration and monitoring effective and economic?**

The linking of the application procedure directly with the IACS form provides on the face of it a cost effective way of ‘advertising’ the scheme and recruiting farmers in the first instance.

Evidence from the survey suggests that farmers are in general fairly content with the information which is provided to them regarding the Tir Mynydd scheme. Nearly nine out of ten farmers felt that such information was either good or satisfactory (12% very good, 34% good, and 44% satisfactory). There is rather less satisfaction with the management of the scheme with just 28% ranking it as good (5% very good and 23% good) and 46% as satisfactory (with small farmers slightly more likely to consider the management of the scheme to be good). This last judgement may of course have been influenced in the immediate past by the change from the headage-based system to the area-based system with associated fears about loss of compensation.

**A6.6.5. How efficiently have scheme outputs been achieved**

The scheme outputs (rural community maintenance and preservation of the farmed upland environment) are shared with a number of other programmes and as such are difficult to disentangle. This point also has relevance for the administration of the scheme since, for example, government staff are also involved in these other programmes.

If, as suggested, the scheme is seen as a necessary basic supplement to low household incomes (i.e. a form of social security) then farmers are probably not likely to associate the Tir Mynydd scheme with specific focused outputs (e.g. for environmental actions). The relatively modest take-up of enhancements (probably reflecting the relatively small additional payment which it brings) suggests that Tir Mynydd is perhaps not a very efficient way to deliver specific environmental and other outputs.

It should be added that generally speaking a specific output generally requires a specific policy and policies which act as a vehicle for a variety of disparate objectives seldom work efficiently across the board.

**A6.6.6. Have there been positive or negative side effects**

The point was made earlier that the focus group evidence seems to suggest that Tir Mynydd (and its predecessor) is generally not understood as part of the Rural Development Plan and is ‘taken for granted’, in effect it may have become viewed as part of a general system of state support. Accordingly it is really only possible to speculate on the likely positive or negative effects of the scheme.
On the positive side it would seem highly likely that a significant proportion of the £40 million delivered annually into the LFA area is spent locally on services. The relative inaccessibility of much of the LFA area probably means that monies are spent locally at least in the first instance, though they may subsequently leak out to national suppliers, non-LFAs, urban areas and even to the rest of the UK eventually. Reports from the focus groups suggest that there is at least a belief that the RDP schemes support non-farming employment, even though there is a level of cynicism that at least some of this is related to RDP bureaucracy. On the other hand, the increased employment encouraged, for example, by the need for fencing, walling and other frequently contracted work is almost certain to be locally based and generally welcomed.

On the negative side, it is possible that the environmental enhancements have resulted in a lowering of farm inputs with consequence loss of business for agricultural suppliers.

**A6.6.7. Are the scheme outcomes sustainable**

Environmentally the outcomes of Tir Mynydd would seem to have been relatively modest affecting only a minority of farms through the enhancement option. An increase in the number of farmers signing up to the environmental enhancements might be effected by increasing the level of payments under this element (or by reducing the basic payment) or by a more specific linking of the Tir Mynydd scheme with the Tir Gofal scheme (and possibly the Organic Farming Scheme).

It may be that those farmers who have been disposed to carry out environmental enhancements now feel that they have contributed sufficiently in this area. Equally there is nothing in the scheme which requires the continuation of environmental improvements (e.g. payment for regular maintenance) and accordingly there is a danger that improvements will deteriorate over time.

Evidence of social and economic sustainability is sparse. However, it might be argued that the relatively long-standing nature of an LFA support scheme (HLCA and now Tir Mynydd) coupled with the broad maintenance of the Welsh rural population (see above) points to some degree of sustainability. This conclusion should of course be tempered with concern about the changing age and social composition of the rural population, not to mention the long-term decline in the importance of agriculture in the national economy and the likely long-term reduction in production linked EU support to the sector.

**A6.6.8. Has there been additionality generated by the scheme, or has there been displacement over time and/or place?**

There is no apparent evidence of additionality nor of displacement.

**A6.6.9. Has the scheme reached the target group, and what is the policy deadweight in terms of benefit reaching groups that are not targets?**

The general simplicity of the eligibility criteria and application process (see above) suggests that the scheme generally reaches the target group and it seems very unlikely that farmers who are genuinely eligible for Tir Mynydd payments are being missed out. The issue of deadweight is not really
applicable as all farmers in LFAs are entitled to payments and payments are not made in respect of certain (significant) activities taking place. However, given the relatively low importance of Tir Mynydd payments in household income for some farmers it is not clear to what extent they are being maintained in farming through the scheme. Conceivably this could suggest at least a degree of deadweight.

A6.6.10. What are the broader effects in the rural economy and environment of the assistance provided

The Tir Mynydd payments amount to some £40 million each year or about £40 for each person in the nine rural local authorities. It is clear from the responses to the survey that recipients do feel that the payments have a general broader impact upon the rural economy. However, specific effects, especially upon the environment beyond the particular actions undertaken by farmers taken up the relevant enhancement, would seem to be very limited.

A6.6.11. What interactions (synergy, conflict) have there been with other schemes?

The survey reported relatively little cross-membership between Tir Mynydd applicants and other schemes in the Rural Development Plan. Roughly one in five reported involvement with Tir Gofal (81% of whom were in the SDA and these tended not to be in the smallest ESU category) with a similar proportion signed up to the Farm Improvement Grant (again the majority in the SDA). Beyond this a mere 10% were involved with the Woodland Grant Scheme and even lower proportions with other schemes. It is understood that only 10% of the Tir Mynydd budget in 2003 is allocated to Element 2 (i.e. for enhancements) payments and it may be that the returns from taking up enhancements are therefore perceived as too small to warrant involvement.

The nature of Tir Mynydd (i.e. payments resembling income or social security support more than compensation for undertaking certain management practices) make this question less relevant applied to Tir Mynydd than to the other RDP schemes.

A6.6.12. What potential is there for further complementarity/synergy between schemes that are not achieved under present arrangements?

In the light of the above comments, there would appear to be significant scope for synergy within the RDP, not least in relation to environmental objectives. This might, for example, be effected by requiring membership of Tir Gofal if the farmer wishes to access the environmental enhancement elements of Tir Mynydd. Another approach might be to increase substantially the proportion of the Tir Mynydd budget that is allocated to enhancements, especially those related to environmental and landscape improvements, this being at the expense of the general payments made to farmers under the scheme.

A more radical approach would be to offer an ‘LFA enhancement’ to all other RDP schemes in place of the current Tir Mynydd, although it is recognised that this is likely to be politically undesirable.
A6.7. Conclusions and recommendations

While it is difficult to come to firm conclusions as to the impact of the Tir Mynydd scheme because it has been operating for a relatively short time, the overall perception of scheme recipients is very positive. The scheme is seen as crucial to the maintenance of farming in the hills and is also seen to contribute substantially to the maintenance of the rural community. Key points to note are:

- Precise economic measures of the significance of the scheme, particularly as regards administrative costs relative to outputs, are not available and a study should be undertaken to provide this in time for the ex-post evaluation.
- Population data from the 2001 Census should be prepared via GIS against the ex-post evaluation (e.g. data digitised for LFA wards).
- Problems associated with the use of the secondary data sources (see above) should be noted and efforts made to improve data quality (e.g. response rates, confusion over meanings by farmers).
- Environmental enhancements within Tir Mynydd should be reviewed and possibly increased proportionately with a view to encouraging greater uptake of management actions, especially lower fertiliser use and decreased stocking densities. Alternatively any environmental payments/requirements within Tir Mynydd should be more formally linked to compulsory membership of the Tir Gofal scheme.
A6.8. Telephone survey questionnaire

A6.8.1. Tir Mynydd questionnaire

A. Introduction

1. What is your main LFA status?
   i. SDA
   ii. Or, DA

2. Quota question regarding ESUs

3. Can you confirm that you received payments under the Tir Mynydd scheme in 2002?
   i. Yes (Go to Q4)
   ii. No (End interview)

4. What are the difficulties, if any, you face as a farmer in a Less Favoured Area? Do not prompt, code all that apply
   i. Remoteness/Distance from markets and suppliers
   ii. Extra transport costs
   iii. Fragmented fields i.e. Fields belonging to farm spread out
   iv. Relief/geography of the farm (especially upland/hill farm)
   v. Availability of labour (staff or contractors) to come and work on farm
   vi. Few off-farm job opportunities/no local jobs for family
   vii. Other (please specify)
   viii. None

5. How important do you think the Tir Mynydd scheme is in compensating for those difficulties that the Welsh upland farmer faces? (Read out)
   i. Very important
   ii. Quite important
   iii. Neither important or unimportant
   iv. Not really important
   v. Don’t know
6. Roughly what percentage of your total household income would you estimate came from your Tir Mynydd payment in 2002? (Read out)

   i. Less than 10%
   ii. 11-25%
   iii. 26-50%
   iv. 51-99%
   v. 100%
   vi. Don’t know

7. Was the percentage of income coming from Tir Mynydd in 2002 the same as it was in 2000?

   i. Yes (Go to Section B)
   ii. No (Go to Q8)

8. In 2000 what percentage of your \textit{total} household income came from your Tir Mynydd payment? (Read out)

   i. Less than 10%
   ii. 11-25%
   iii. 26-50%
   iv. 51-100%
   v. 100%
   vi. Don’t know

\textbf{B. The Family Farm}

9. Do you consider your farm to be a typical Welsh family farm?

   i. Yes (Go to Q10)
   ii. No (Go to Q11)
   iii. Don’t know (Go to Q11)

10. Do you think the Tir Mynydd scheme has helped maintain your traditional Welsh family farm?
    READ OUT

    i. yes, certainly
    ii. possibly
    iii. no
    (Now go to Q13)
II. Which of the following do you think means that your farm is **not** a typical Welsh family farm? (Do not prompt code all that apply)

i. My farm is too small  
ii. My farm is too large  
iii. My farm does not provide the main source of income  
iv. My labour force is mainly hired  
v. My farm is not solely owned or owned in partnership with other family members  
vi. I do not have a successor in the family  
vii. Other (please specify):

If the answer to Q11 was ‘I do not have a successor in the family’, ask Question 12, otherwise go to Question 13

12. Why do you not have a successor in the family? **Do not prompt**

i. I have no children  
ii. My children do not want to take over the farm  
iii. I do not want my children to take over the farm  
iv. Other (please specify)

Ask all respondents

13. Did you take over any of your present land from … (Read out)  

i. a member of your family?  
ii. a member of your spouse’s family?

14. Have you personally been the main decision maker on this farm for more than 3 years now?

i. Yes (Go to Q16)  
ii. No (then he is a new entrant – Go to Q15)

15. How did you become the main decision maker, did you …(Read out)  

i. Take over from a parent  
ii. Buy the farm  
iii. Take out a tenancy agreement

16. Are you the sole decision maker or do others have some responsibility?

i. Sole decision maker (Go to Q19)  
ii. Others involved
17. Have there been any changes among those others involved in making decisions in the last 3 years?
   i. Yes
   ii. No

18. Can you explain the changes and the reason for them?

   (Open question)

19. Will there be a change in the decision makers on the farm in the next 3 years?
   i. Yes (Go to Q20)
   ii. No (Go to Q23)

20. How will the arrangement of decision makers change? First what about you personally, will you ….(Read out)
   i. stop farming completely
   ii. become part time
   iii. continue as the main decision maker

21. And what about the land, will you …. (Read out)
   i. Keep the farm land as it is now
   ii. Buy or rent more land
   iii. Sell all or part of the farm
   iv. Let all or part of the farm on a tenancy agreement

22. And who will be the main decision maker?
   i. You will
   ii. You may completely hand over decision making to a son
   iii. Or, hand over completely to another family member
   iv. You may share the decision making with another family member ie. co-manage
   v. You may employ a manager from outside the family

23. How many members of your family have taken off-farm employment and had to move away from the farm in the last 3 years?
   i. None (Go to Q26)
   ii. 1
   iii. 2
For each person who left:

24. What was their relationship to you?

25. And what job did your (specify response at Q24) take?

26. What is likely to happen to your farm when you do eventually retire from farming? **Do not prompt**

   i. farm will be continued by another family member full-time
   ii. farm will be continued by another family member part-time
   iii. farm will be let
   iv. farm will be sold or tenancy given up
   v. other (please specify)
   vi. Don’t know

C. Farm Size and Land Use Change

27. Please tell me the areas of land on your farm which were under the following uses in 2002:

28. Are those areas in acres or hectares?
   i. Acres
   ii. Hectares

29. And what areas of land on your farm were under the following uses in 2000?

<table>
<thead>
<tr>
<th></th>
<th>Hectares</th>
<th>Acres</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2002</td>
<td>2000</td>
</tr>
<tr>
<td>i. Total area</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ii. Crops and grass</td>
<td></td>
<td></td>
</tr>
<tr>
<td>iii. Rough grazing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>iv. Woodland</td>
<td></td>
<td></td>
</tr>
<tr>
<td>v. Other (e.g. buildings, water)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

If there has been a change in i. Total area, ask Q 30, otherwise go to Q31
30. How has the change in total area been caused? **Do not prompt and code all that apply**

- i. I rent more land
- ii. I have bought more land
- iii. I no longer rent some land
- iv. I rent out some land that I own
- v. I sold some land
- vi. Other (please specify)

31. Has the Tir Mynydd scheme influenced any changes you have made in land use or in the amount of land which you farm?

- i. Yes
- ii. No
- iii. Don’t know

32. Please tell me the number of animals that you are able to graze on common land:

<table>
<thead>
<tr>
<th></th>
<th>2000</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beef</td>
<td></td>
<td></td>
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<tr>
<td>Dairy</td>
<td></td>
<td></td>
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<tr>
<td>Sheep</td>
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</tbody>
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**D. Household and Labour**

I would now like to collect some information about you and your household.

33. Starting with you/the head of the household, what age category do you fall into? (Read out)
34. Record whether male or female.
35. Are you a Welsh speaker? (Read out)
36. Do you work on the farm full or part time?
37. Do you have any off-farm income?

38. And now your spouse/partner, what age category does your spouse/partner fall into? (Read out – Allow ‘No spouse/partner)
39. Record whether male or female.
40. Are they a welsh speaker? (Read out)
41. Do they work on the farm full or part time, or not at all?
42. Do they have any off-farm income?
If Farmer or Spouse have income off-farm ask:

43. Is the MAIN source of you and your spouse/partners combined income generated from the farm businesses or off-farm?

For each other person in the household, by this I mean people living in the house, not in full-time education so not under 16’s or full time students.
Can you please tell me

44. What their relation is to the head of the household
45. Which age category they fall into?
46. Record if male or female. (M/F)
47. Are they a Welsh speaker? (Read out)
48. Do they work on the farm full time, part time or not at all
49. Do they have any off-farm income? (Y/N)

If Yes
50. Is their main income source from the farm or off the farm? (F, O-F)

<table>
<thead>
<tr>
<th>Relation to head</th>
<th>Age</th>
<th>Gender</th>
<th>Welsh speaker</th>
<th>Work on this farm</th>
<th>Off-farm work income</th>
<th>Main income source</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Head</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>&lt;29</td>
<td>M/F</td>
<td>As 1st language</td>
<td>Full time</td>
<td>Yes</td>
<td></td>
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<td></td>
<td>30-39</td>
<td></td>
<td>As 2nd language</td>
<td>Part time</td>
<td>No</td>
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<td></td>
<td>40-49</td>
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<td>No</td>
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<td>70+</td>
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<td>2. Spouse</td>
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<td>3. Other</td>
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<tr>
<td>4. Other</td>
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<tr>
<td>5. Other</td>
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<td>6.</td>
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51. Are there any **members of your family** working on the farm who **don't** live in your household?

i. Yes (Go to Section D1)

ii. No (Go to Section D2)

**Section D1:**
Again I would like to collect some information about them and the people within their household.
52. Starting with the head of the household, what age category do they fall into? (Read out)
53. Record whether male or female.
54. Are they a Welsh speaker? (Read out)
55. Do they work on the farm full or part time?
56. Do they have any off-farm income?

57. And now their spouse/partner, what age category does your spouse/partner fall into? (Read out – Allow ‘No spouse/partner))
58. Record whether male or female.
59. Are they a Welsh speaker? (Read out)
60. Do they work on the farm full or part time, or not at all?
61. Do they have any off-farm income?

If Head of Household or Spouse have income off-farm ask: Is the MAIN source of their combined income generated from the farm businesses or off-farm?

For each other person in the household, by this I mean people living in the house, not in full-time education so not under 16’s or full time students.
Can you please tell me

62. What their relation is to the head of the household
63. Which age category they fall into?
64. Record if male or female. (M/F)
65. Are they a Welsh speaker? (Read out)
66. Do they work on the farm full time, part time or not at all
67. Do they have any off-farm income? (Y/N)

If Yes
68. Is their main income source from the farm or off the farm? (F, O-F)

<table>
<thead>
<tr>
<th>Relation to head</th>
<th>Age</th>
<th>Gender</th>
<th>Welsh speaker</th>
<th>Work on this farm</th>
<th>Off-farm work income</th>
<th>Main income source</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Head</td>
<td>&lt;29, 30-39, 40-49, etc, 70+</td>
<td>M, F</td>
<td>As 1st language, As 2nd language, No</td>
<td>Full time, Part time, No</td>
<td>Yes, No</td>
<td></td>
</tr>
<tr>
<td>2. Spouse</td>
<td></td>
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<tr>
<td>3. Other</td>
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<tr>
<td>4. Other</td>
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</tbody>
</table>

Agra CEAS Consulting
Then ask Q69

69. Do you employ NON-family, full time or part time on the farm?

i. Yes (Go to Section D2)
ii. No (Go to Q75)

Section D2
Again I would like to collect what information you can give about them.

For each NON-family member employed on the farm, can you please tell me:-
70. Which age category they fall into? (same codes as previous)
71. Are they male or female?
72. Are they a Welsh speaker? (Read out) (same codes as previous)
73. Do they work on the farm full time, part time?
74. Do they have any off-farm income? (Y/N)

If Yes
75. Is their main income source from the farm or off the farm? (F, O-F)

<table>
<thead>
<tr>
<th>Hired workers</th>
<th>Age</th>
<th>Gender</th>
<th>Welsh speaker</th>
<th>Farm work on this farm</th>
<th>Off-farm work income</th>
<th>Main income source</th>
</tr>
</thead>
<tbody>
<tr>
<td>One</td>
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<tr>
<td>Two</td>
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<tr>
<td>Three</td>
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</tbody>
</table>

Ask all respondents
76. Have the jobs of your household members and employees become more secure as a result of the RDP and its schemes?

i. Yes
ii. No
iii. Don’t know
Section E. Synergy, leverage, dead-weight

77. Which of the following RDP schemes are you currently in?

<table>
<thead>
<tr>
<th>Scheme</th>
<th>Please tick</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tir Gofal</td>
<td></td>
</tr>
<tr>
<td>Organic Farming Scheme</td>
<td></td>
</tr>
<tr>
<td>Farm Improvement Grant</td>
<td></td>
</tr>
<tr>
<td>Farm Enterprise Grant</td>
<td></td>
</tr>
<tr>
<td>Processing and Marketing Small Grant</td>
<td></td>
</tr>
<tr>
<td>Processing and Marketing Grant</td>
<td></td>
</tr>
<tr>
<td>Woodland Grant Scheme</td>
<td></td>
</tr>
<tr>
<td>Farm Woodland Premium Scheme (FWPS)</td>
<td></td>
</tr>
</tbody>
</table>

78. Has Tir Mynydd had a positive influence on your decision to stay in farming? READ OUT
   i. No
   ii. Yes, along with other factors
   iii. Yes, I stayed because of the scheme

Section F. Environment etc

79. As a direct result of receiving Tir Mynydd payments have you taken any specific actions to improve the landscape, environment or animal welfare on your farm since 2000? READ OUT
   i. Yes, improvements to landscape
   ii. Yes, environmental improvements
   iii. Yes, animal welfare improvements
   iv. No

If the answer to Question 79 was ‘yes’, ask Question 80, otherwise go to Section G

80. What landscape, environmental or animal welfare actions have you taken as a result of Tir Mynydd? Do not prompt and code all that apply
   i. I use less plant protection chemicals per hectare
   ii. I use less fertiliser per hectare
   iii. I have reduced average stocking density
   iv. I have increased average stocking density
   v. I have provided additional animal housing
vi. Created new hedges  
vii. Created new traditional walls  
viii. Renovated existing hedges  
ix. Renovated existing walls  
x. Created woodland  
xi. Created water features  
xii. Renovated traditional buildings  
xiii. Other (please specify)

Section G. Scheme Administration

81. What is your opinion of the information on Tir Mynydd which is made available to you? Read out  
i. Very good  
ii. Good  
iii. Satisfactory  
iv. Poor  
v. Very poor

82. What is your opinion of the overall management (including payment arrangements) of the Tir Mynydd scheme? READ OUT  
i. Very good  
ii. Good  
iii. Satisfactory  
iv. Poor  
v. Very poor

Section H. Rural Community

83. Do you think that the Tir Mynydd scheme has contributed to any of the following? Read out and code all that apply  
i. maintaining the rural population  
ii. attracting tourism to the area  
iii. attracting new people into the area  
iv. attracting new business investment  
v. maintaining or building a stronger rural community  
vi. maintaining the Welsh language and cultural heritage of the area?

84. Given current levels of farm support, how do you rank your standard of living compared to your non-farming neighbours? READ OUT
MID-TERM EVALUATION OF THE RDP WALES

Section I. IT Use

85. Have you access to a computer for home or business use?
   i. Yes (Go to Q85)
   ii. No (Thank and close)

86. How frequently do you use the internet for personal use? (Read out)
   iii. Daily
   iv. Weekly
   v. Once or twice a month
   vi. Occasionally
   vii. Never

87. How frequently do you use the internet for business purposes? (Read out)
   i. Daily
   ii. Weekly
   iii. Once or twice a month
   iv. Occasionally
   v. Never

88. What county do you live in?