

**Cynulliad Cenedlaethol Cymru | National Assembly for Wales
Y Pwyllgor Newid Hinsawdd, Amgylchedd a Materion Gwledig |
Climate Change, Environment and Rural Affairs Committee
Ymchwiliad i ddyfodol Polisiâu Amaethyddol a Datblygu Gwledig
yng Nghymru | Inquiry into the Future of Agricultural and Rural
Development Policies in Wales
AAB 20
Ymateb gan Cymdeithas y Pridd a'r Ganolfan Ymchwil Organig
Evidence from Soil Association and Organic Research Centre**

The future of agriculture and rural development policies in Wales

Joint response from the Soil Association and Organic Research to the Welsh Assembly Climate Change, Environment and Rural Affairs Committee inquiry

Introduction

1. We welcome the opportunity to respond to this consultation and would be pleased to meet the Climate Change, Environment and Rural Affairs Committee to give further evidence if required.
2. The Soil Association was formed by a group of farmers, scientists, doctors and nutritionists in 1946, to pioneer a world where we can live in health and in harmony with nature. Today we're farming and growing, buying, cooking, campaigning and researching. Through our trading subsidiary, Soil Association Certification, we work with over 6,000 businesses including farmers, growers, foresters, caterers, food processors and manufacturers. We collaborate with organic and non-organic farmers to innovate and to implement practical solutions that create a better future for people, farm animals, and the natural world. We also produce an annual Organic Market Report; currently, the UK organic sector is growing by over 5 percent per annum and worth nearly £2 billion, with demand outstripping supply.
3. The Organic Research Centre was founded in 1980 to provide research, technical and business information and evidence for policy-making with respect to organic farming and agroecological approaches to food production. Since 2000, it has been a partner in Organic Centre Wales, based at Aberystwyth University. The OCW partnership, led by ORC, advised the Welsh Government on the development of the Glastir Organic Scheme, launched in 2015. In 2015 ORC completed a report for the Land Use Policy Group of the UK Nature Conservation Agencies, including Natural Resources Wales, on the Role of Agroecology in Sustainable Intensification.

Overview

4. We are facing a pivotal moment in the future of our land management in all countries in the UK. We need a progressive vision for food and land use more than ever. This needs to reorient our food, farming and land use towards the sustainable production of public goods, including health and ecosystem services.

5. This opportunity is internationally significant. While many countries have policy ingredients that we can draw on, none offers a clear recipe for success. If the UK countries succeed, it could provide a model for much-needed reforms of the CAP across Europe.
6. To tackle climate change emissions from farming, and the diet-related ill-health crisis threatening the future of the NHS, we need to see agroecological (such as organic) and high nature conservation value farming encouraged, with less but better quality meat and more fruit and vegetables produced on our farms and in our diets. Farming systems like these provide more jobs and people working on farms are able to manage the countryside with the sensitivity and detail that good wildlife and landscape conservation requires.
7. CAP payments are currently vital to the economic sustainability of almost all farmers, and public funds should continue to go to farming. But outside the EU it will be impossible to argue that public money should go to farmers simply because of the number of hectares of land they own or control. We believe that all expenditure of public money must deliver public benefits. We welcome the Committee's recent statement on the need for a shift away from payments based on acreage and historical production, and towards agreed environmental and land management objectives. This should include system-based approaches to delivering these objectives, including organic farming and agroforestry.
8. One priority for the expenditure of public money on farming, and for the overarching policy framework for Wales, must be to encourage farmers to farm in ways which reduce the huge greenhouse gas emissions from agriculture, to ensure the sector meets the massive challenge of cutting GHG emissions by 80% by 2050.
9. Farming's greenhouse gas emissions are mainly in the form of nitrous oxide (from nitrogen fertiliser) and methane, from cattle and sheep. In Wales, where cattle and sheep farming are so important, a key will be to encourage production of all or largely grass fed and finished dairy, beef and lamb, where grass and semi-natural vegetation help tackle climate change by storing carbon in soils.
10. A key issue is the balance between payments, regulation and other mechanisms (e.g. assurance) as means of achieving all the environmental, economic and social benefits people expect of farming and the countryside.
11. While many of the opportunities and challenges are clear, the solutions are still emerging and nobody has all the answers. For a generation, agricultural policy thinking has been constrained by the politics and compromises of the CAP – not only in government but also in farming and among conservation, health, development and consumer groups. As much as anything, therefore, the need now is to explore new possibilities together, and discover whether there are frameworks that could square these sometimes competing interests. This conversation is urgent but it must also be inclusive, if we are to renew the public mandate for policy support to agriculture.

Fundamental outcomes

12. A sustainable future policy must square the needs of farming, forestry, the environment, health, animal welfare, international development and consumers. It will almost

certainly need to spend less than the current CAP, and will depend on a renewed public mandate for that funding.

13. The underpinning goals of a new Welsh agricultural policy should:

- support public health objectives
- encourage joined-up land use
- support thriving rural communities, including better job opportunities
- protect against industrialised farming
- protect ecosystems and natural capital
- protect and restore soil health
- support biodiversity
- ensure stable food supply
- provide safe, nutritious, good quality food
- create farm diversity
- shorten the supply chain
- ensure fair trade for developing countries
- address climate change
- safeguard animal welfare
- give public access to countryside
- ensure good labour conditions for all
- integrate agriculture as a broader part of society and culture
- incentivise farmers to do the job well.

14. Specifically in the uplands, the overarching goals need to recognise the public benefit of:

- A change of emphasis from just sheep production to: mixed cattle and sheep farming; carbon and water management objectives; and biodiversity improvements (including large scale control of invasive weeds such as bracken and rhododendron).
- Expansion of woodland including agroforestry systems integrating agriculture and forestry (but no draining or drying out of peat because of negative climate and biodiversity impacts) and heathland in areas marginal for food production.

Mechanisms

15. It is imperative to ensure that the mechanisms to achieve these goals are well developed. The Soil Association is currently undertaking a piece of work to understand and assess a range of potential mechanisms, including approaches taken in other countries, or other sectors apart from agriculture and land-use.

16. We would be happy to outline our thinking on this issue in more detail in the New Year. Some examples of mechanisms we are looking at include:

- Cap and trade: Government could set a total quota i.e. for phosphate or nitrogen levels. Farmers trade on this, with some committing to use more, others less, as long as the total level remains below the quota.
- Public procurement: Adopting a more ambitious approach to support food from high quality, local, environmentally sustainable farming.
- Payment for ecosystem service: Leveraging public and private funding to pay for ecosystem services. This needs to be underpinned by effective regulation and certification.

Lessons from current and previous policies

17. Feedback from farmers is that current stewardship schemes have become ever more complicated and not 'farmer friendly'. We understand that this has been in an attempt to target stewardship schemes, but simplification and support for farmers to apply are needed in all future schemes. System-based, multi-objective, agroecological approaches, such as organic farming, can play a role in reducing the complexity associated with adopting multiple, single objective options.
18. There is evidence to show that farmer behaviour has not been changed as a result of Glastir¹ except in situations where a whole system change is implemented with a long-term commitment to maintaining that system. Such behaviour change is vital for long lasting change to support the environment through farming.
19. Future schemes should learn from the Glastir Commons scheme which has experienced a high uptake and exceeded targets. One reason for this is the effective support system in place for farmers. The Glastir Organic support introduced in 2015 has also proved popular with organic farmers, halting the decline in the sector and providing a basis for new farmers to convert. It is simpler than and more comprehensive than organic support under the Countryside Stewardship (in CS) in England. However, because of the organic sector's efforts to integrate environmentally-friendly management with specialist markets to help ensure financial viability, it is important that there is a consistent policy environment that is supportive and avoids disruption to market development.
20. Organic farming standards require farmers to implement a change in farming system which delivers this wide range of public goods (such as biodiversity, reduced reliance on antibiotics, better water quality, diverse landscapes, climate change mitigation, flood protection through healthier soils). This delivers high value for money from public payments made in return for those public goods, as has been recognised by the National Audit Office in the past.
21. Organic production should therefore feature more strongly in future support arrangements to deliver the public goods identified and to enable Welsh farmers and growers to take advantage of the growing organic market². To maximise these opportunities, Wales must maintain EU organic standards as a minimum. Assistance to help Welsh farmers meet license fees is welcome and should also continue.
22. Organic farming and similar agroecological approaches should feature more strongly in Welsh food, health, and environmental strategies, and there needs to be a strong organic cross-cutting theme across the sector-focused (red meat, dairy and other) strategic initiatives currently under development. Without this, there is a serious risk of failure to address the needs of a significant sector of Welsh agriculture through a lack of joined up thinking. Still subject to final approval, the Organic Centre Wales partnership

¹ Farmers' Decision Making, Wales Rural Observatory, 2011:
<http://www.walesruralobservatory.org.uk/sites/default/files/Farmers%20Decision%20Making%20Final%20Report.pdf>

² The latest figures show a 5.6% increase in UK organic sales in the 52 weeks to 13 August 2016 (Nielsen Scantrack) <https://www.soilassociation.org/certification/food-drink/trade-news/2016/september/14/organic-market-growth-continues/?count=16>. EU and global markets for organic produce are growing too, for example with US and Germany growing at 11%, and China growing at over 25% per annum (Eurostat, October 2016)

has proposed for 2017/18 an RDP-funded programme of strategic development plans for the Welsh organic red meat, dairy and horticulture sectors to contribute to this process.

23. In Wales and other parts of the UK, decisions were taken to exclude support for small-scale producers (under 5ha). While reducing administrative costs, many small-scale producers are commercially-minded, new entrants with significant potential for growth, and should not be excluded. The 3 hectare minimum area of land required to claim Glastir organic support is an improvement on the higher area threshold for CAP payments in England. An assessment of the benefits of removing this lower threshold altogether should be undertaken, to provide fair support to smaller businesses, particularly vegetable growers, alongside a focus on ensuring skills and training is adequately tailored towards small scale production. Options for group certification of small-scale producers could also be explored.

Should Wales develop its own agricultural, land management and rural development policies?

24. Policies across the UK are likely to diverge further. For example in Scotland, there is strong political will to retain all environmental protections that the EU affords. Wales has also recently taken moves to further devolution with the Wales Bill, which is currently proceeding through Parliament. We support further devolution of agricultural land management and rural development policies.
25. Our view is that Wales should take the lead and develop its own policies. This is because Wales needs to have policies that support Welsh food production and the distinct strengths of Welsh farming, and also to develop policies that address the particular challenges to farming in Wales. These include the improving the beauty and wildlife of Wales, dealing with the dominance of sheep farming and the strong link it has to greenhouse gas emissions, and taking action to drive a movement for Welsh food in Welsh schools, hospitals and other public and privately funded meals in Wales. There is also significant opportunities for exports of Welsh organic products which have to date not been fully exploited, unlike in Ireland where organic beef in particular has achieved notable success in continental European markets.
26. The Welsh Government has begun to develop effective measures in these areas of policy, particularly in supporting the natural environment, including some elements of Glastir organic support as compared to England.
27. The development of a new agricultural policy for Wales should be accompanied by a more ambitious approach to public procurement, building on the welcome progress already made, such as the bronze level Food for Life Catering Mark award to Charlton house for the restaurant at the National Assembly, and the adoption of the Food for Life Catering Mark and Food for Life's 'whole school approach' in a growing number of Welsh schools. The importance of procurement as an essential demand-side driver of better agricultural, land management and rural development policies has also been set out in a number of Wales-specific reports³.

³ For example, 'Good Food For All' 2015, IWA <http://www.iwa.wales/news/2015/06/iwa-senedd-paper-good-food-for-all/> and 'Food Policy as Public Policy', 2016, PPIW <http://ppiwiw.org.uk/files/2016/06/PPIW-Report-Food-Policy-as-Public-Policy.pdf>