

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 27
Ymateb gan The Cnewr Estate Ltd
Evidence from The Cnewr Estate Ltd

1. What are the fundamental outcomes we want to see from agricultural, land management and rural development policies?

- Without a long term support structure, Welsh agriculture, particularly in the less favoured areas of the uplands, will not survive.
- The importance of the agrifood industry to the UK is inestimable - not only does the farming community deliver food to plates, we are guardians of the countryside and custodians of air, water and landscapes.
- Investment in the rural economy with long term agreements in place is essential to ensure effective business planning for the future.
- Rural investment funding needs to be ring fenced to ensure that it is there to support agriculture, land management and rural communities.
- Investment in infrastructure, more open planning, maintaining and increasing current employment are all key factors in ensuring that Welsh agriculture remains viable. This in turn would mean that alternative enterprises could be run alongside farming which would have quantifiable results open to scrutiny.
- A farming policy that allows farming to work towards farming requirements rather than towards subsidies requirements. Any farmer would welcome the ability to work towards no subsidies for agricultural production which would free up markets and open up different trade options that have not previously been available.

2. What lessons can we learn from current and previous policies? What about policies elsewhere?

- Farming and agrifood production is not dynamic and is a generational business - long term planning and robust investment policies are the only way forward.
- Previous policies have been ineffective in marrying farming with other aspects of rural life - a policy that embraces all and can show quantifiable benefits should be adopted, however, this should also incorporate changes to planning and infrastructure bureaucracy. Farmers are often innovators - but then let down by factors beyond their control such as the planning system.
- Previous environmental policies have delivered in some aspects - however, have not been flexible which has caused problems. Grazing seasons on an upland farm in mid Wales are going to be very different from a lowland farm on the Gower - and there has not been the ability to reflect this in previous policies; I refer in particular to Glastir Advanced which did not allow for any change in grazing season dates on habitat land.
- Both Tir Gofal and Glastir schemes have relied on reducing stock numbers - on our farm we have seen a reduction in our stock numbers by 25% in the last thirteen years. Undergrazing is just as harmful to the biodiversity as overgrazing and in the long term, stock reduction makes farmers more reliant on subsidies as they cannot increase production. Additionally

for our farm, this reduction in stock levels has led to no increase in productivity per stock unit.

- The current policies mean that farmers have to farm for subsidies - rather than farming for agrifood production. As I have previously mentioned, we have three quarters of the stock we used to run on the farm, our hill land biodiversity has not been improved by the reduction in stock with *Molinia* being one of the most flourishing (and least desirable) plant species now found on the hill. Lastly on the point of stock numbers, hill farms have hefted flocks - which means that while it is very easy to reduce the numbers, increasing them again takes years.
- The New Zealand government took the decision in 1984 to remove most farm subsidies - this did result in some farms going out of business, however, the industry is buoyant for those still in it. This model does not directly correlate to the United Kingdom, however, as farms are far more extensive. One of the direct results from the removal of the subsidies was farmers implementing cost savings in the form of lower employment. Additionally, welfare standards are lower on New Zealand sheep and cattle farms than the British public would expect.
- To look at how the policies have affected us personally, our Estate is 12,000 acres of hill and upland in the west of the Brecon Beacons National Park. To put this in context - it is the size of Cardiff three times over. It is all farmed in hand - by the same family for over 160 years. We farm around 6100 ewes and 370 cows and employ nine workers on our farm - six of whom live in estate accommodation with their families. We receive the Basic Payment Scheme and are in the Glastir Advanced scheme. The table below shows our profit per acre and the immediate effect that taking away the financial support would have to us.

	Annual profit per acre (averaged over three years using 2012/13/14 accounts)	Annual profit per acre (averaged over three years using 2013/14/15 accounts)
Current	£6.12	£1.52
No BPS payment	-£8.88	-£13.48
No Glastir payment	-£22.63	-£27.23
No subsidy	-£37.63	-£42.23

- I believe the stark reality of these figures explains itself - and we have already spent the last few years embracing change and the future by generating alternative income streams including forestry, rural tourism and renewable energy.
- Should there be no support system in place for the future, we would have no choice other than to make many changes to what we do - including making staff redundant, re-letting staff accommodation out at market rents, cost savings where we could - which would include all spending but basic maintenance, more intensive farming and grazing regimes. Having done extensive projections, I believe this would still not be viable and we would ultimately have to sell up and lose our family business - as well as the large contribution we bring to the local community and ways of rural life.

3. To what extent should Wales develop its own agricultural, land management and rural development policies or should it be part of a broader UK-wide policy and financial framework?

- Agrifood trade is an integral part of the British economy and as such it should be included within all UK trade negotiations. It is essential that access to the EU agrifood market is maintained with free movement of goods and agreements in place for seasonal workers. Agreements will also need to be quickly put in place with non EU countries as well to ensure market stability.
- A Free Trade Agreement should be negotiated - whilst being mindful of welfare and quality issues in some countries.
- Welsh farming needs its own branding within the UK umbrella and the Welsh Government should look at identifying the unique aspects of Welsh produce and continue to promote and invest in it.
- Stronger links need to be created between primary producers and tertiary consumers with emphasis on quality, welfare and provenance.
- The most robust and transparent solution for the future is to move from Pillar One payments to Pillar Two payments with long term strategies in place.
- In order to sustain this, Welsh Government need to ensure it has a ring fenced agricultural budget in place.
- Additionally, Welsh Government needs to look at its unique farming habitats and come up with strategies to protect them and the environment they are helping to preserve. The uplands are an integral part of Welsh heritage and may not be able to improve their net farming margins by conventional means - and in many cases are restricted by various factors preventing them from diversifying. They do, however, store and provide valuable clean water, carbon sequestration and recreation space - these are all outputs that can be identified and monitored and investment alongside a specific support system here would help farmers maximise their potential.
- Welsh Government should be investing in detailed research to identify new opportunities for income streams in the agricultural industry - and then putting support and strategies in place to ensure that all farmers are able to access these. Rural policy needs to be in line with this - particularly in areas such as National Parks and AONB's where planning processes are often not supportive of alternative farming enterprises.
- I believe that without a specific support system for farmers in the more marginal areas - Uplands, National Parks and AONB's - there will be many businesses that would not be able to survive and the impact to the local rural communities would be far more reaching. It is, therefore, essential that a long term strategy for Wales is quickly and effectively reached and implemented.

**Managing Director
The Cnewr Estate Ltd**

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