

*The Welsh Assembly's Climate Change, Environment and Rural Affairs Committee's  
Consideration on the Welsh provisions within the UK Government's Agriculture Bill.*

### **Introduction**

The [Nature Friendly Farming Network](#) (NFFN) is a farmer led, independent organisation established in November 2017. We are uniting farmers across the UK who are committed to managing their land for wildlife and the delivery of public goods, as well as growing and providing healthy, nutritious food.

A Wales NFFN steering group was established in June 2018. We welcome and very much support the general direction of both the Welsh Government's **Brexit and our Land consultation** and the UK Government's **Health and Harmony**: the future for food, farming and the environment in a Green Brexit consultation.

The farmers behind the Network believe that a post-Brexit land management policy in Wales should:

1. Help all Welsh farmers to produce safe, healthy food at the same time as helping our soils, landscapes, rivers and wildlife to recover and flourish.
2. Maintain and redirect farming payments towards mainstreaming nature friendly farming.
3. Recognise that the shift towards a more nature friendly approach is not just good for wildlife but is key to the long-term survival and success of Welsh farming and rural communities, delivering broader benefits to the public, including flood protection, water and air quality, and access to thriving natural landscapes.
4. Make sure future schemes are accessible to more farmers.

Rewarding farmers and land managers to deliver environmental goods that benefit all is not only what we believe is the best way forward but is also the right thing to do to ensure both sustainable farming and environment protection for the future.

## **Summary**

Farmer members were surveyed with regard to both the Brexit and our Land and the Health and Harmony consultations. Results showed overwhelming support for a radical overhaul of agricultural policy.

- 87% of Welsh nature friendly farmers believe that now is the moment for radical change in agricultural policy that rewards the conservation of natural resources alongside sustainable food production.
- 100% of respondents want high environmental standards to be a key requirement of future trade deals - to combat the threat of cheap imports.
- Almost 75% believe that the governments in each of the UK countries should cooperate to put the environment at the centre of future farming policy, through a common framework.
- 83% of NFFN farmers say that it is crucial to maintain at least the current level of investment, refocused to deliver better value for money, to ensure a thriving sustainable agriculture sector in Wales.
- Almost all NFFN UK farmers surveyed (98%) called for a greater understanding of the critical role that farming plays in protecting the environment and delivering public goods.

## **Payments for Public Goods**

The NFFN is committed to securing farming policies that support wildlife, sustainable agriculture and fairness for farmers. The NFFN agree that improved soil health, water quality, air quality, increased biodiversity and climate change mitigation are all incredibly important. It's positive that Schedule 3 of the Agriculture Bill enables Welsh Ministers to give financial assistance to the delivery of public goods (Clause 1[1]). We want the government to support all of these public goods going forward.

## **Profitable and Sustainable Businesses**

The NFFN are committed to securing farming policies that support wildlife, sustainable agriculture and fairness for farmers. In a post CAP world where direct payments are being phased out, an effectively delivered economic resilience scheme and a public goods scheme can form the foundations of a future policy that works for farming, the people of Wales, nature and the environment. To do this, the two proposed schemes must be able to work together - they cannot be looked at in isolation.

We note that Schedule 3 includes significantly broader powers to provide financial assistance than the equivalent clause relating to England. So whereas Clause 1 Part 1 for England limits financial support to what we would regard as public goods (Clause 1[1]) and improving productivity (Clause 1[2]), the equivalent in Schedule 3 for Wales also includes two further sub-sections –

- (a) supporting businesses or communities in rural areas;
- (b) starting, or improving the productivity of, an agricultural, horticultural or forestry activity;
- (c) supporting persons who are involved in the production, processing, marketing or distribution of products deriving from an agricultural, horticultural or forestry activity.

These points are broad and open to interpretation and would effectively enable the Welsh Government, under a future policy, to give financial assistance which requires no or limited

environmental obligations and no clear links to the delivery of public goods, even after the transition set out in Clause 5 of the Welsh schedule. The NFFN believes that the goods identified in Clause 1(1) are the primary focus for payments, and should not be undermined by other payments (that have no clear sustainable objectives) in Clause 1. Future policy should focus on rewarding farmers to provide environmental benefits that are not normally paid for through the market. We believe that this is where the majority of taxpayer money should be focused.

Support for increasing productivity should be in line with the Environment (Wales) Act 2016 and the Well-being of Future Generations (Wales) Act 2015. Broader rural development powers should be specific and purposeful. These might include social inclusion, poverty reduction and sustainable development for example.

### **Funding**

The NFFN are concerned that it's unclear what the budget will be for the new system. Work carried out recently has estimated that the total cost of meeting the identified environmental land management priorities in Wales are estimated at [£220 million](#). The current annual CAP budget in Wales (Pillar 1 and 2) is approximately £300million. In order to meet the ambitious objectives set out by the government and ensure a thriving sustainable agriculture industry in Wales it will be essential that as a minimum they maintain this level of investment but it should be carefully targeted to meet the desired objectives. 83% of NFFN farmers say that it is crucial to maintain at least the current level of investment, refocused to deliver better value for money, to ensure a thriving sustainable agriculture sector in Wales.

### **Devolution**

The CAP currently provides a framework within which all four UK countries operate. This includes significant environmental aspects, including the requirement to have an agri-environment scheme, as well as a range of environmental objectives that the policy is expected to contribute towards. 79% of our NFFN farmer survey respondents believe that the governments in each of the UK countries should cooperate to put the environment at the centre of future farming policy, through a common framework.

### **Environmental Standards**

The wrong trade policy could reduce environmental standards and the economic position of UK farmers. The NFFN is committed to ensuring that a new international trade regime does not expose us to the sort of low standards, cut price competition that will drive farmers towards more harmful ways of farming for both land and livestock. We need to ensure that agri-food products produced to lower standards are not imported into the UK, undermining the efficiency, productivity and profitability of the agricultural sector. 100% of survey respondents agreed that maintaining high environmental standards, at home and for imports, should be a key requirement of future trade.

### **Transitional Period**

Government should provide a clear and defined transitional period to enable farm businesses to adapt to new schemes. There should be recognition of the financial implications of new policy on farm structure and the diversity of types of farm across the country. Transitional arrangements and future

payments should aim to preserve this diversity and be aware of the social and economic impact of a rapid loss of income to farm businesses.

Schedule 3, Clause 5 (1) notes that *the agricultural transition period in Wales is the period of seven years starting at 2021*. However, clause 5(2) states that *The Welsh Ministers may by regulations amend sub-paragraph (1) for the purpose of extending the period specified in that sub-paragraph*. Under these terms there is no clear end date to the transitional period, meaning that we could end up with a never-ending transitional period that could continue indefinitely.

Ideally, we would like to see the transition to new schemes by 2025, however we see a case for aligning with DEFRA's proposal to complete transition by 2027. A key consideration however, is that we don't delay transition so long that it's too late to reverse wildlife declines and address environmental issues in time to meet legal obligations.

### **Delinked payments**

De-linking of direct payments from land is an option that could be explored. This could facilitate a rapid restructuring in the industry, effectively funding a ready-made exit fund for those that wanted to get out, or provide an investment fund for those who wanted to invest in their business to get it 'Brexit ready'. De-linking could also free up the resources associated with most Pillar 1 administration, making resources available to invest in the implementation of a new policy. With this support for new entrants, it could achieve renewal within the industry. In this instance, we believe there should be a cap on the money received by the largest landowners to avoid a large bulk of resources being received by a small minority.

De-linking direct payments from land means that all conditionality associated with land, including cross-compliance and greening, would need to be removed. This would apply to those who chose to leave the land, as well as those who didn't. Environmental standards and alternative enforcement mechanism must be put in place prior to adopting this approach.

### **Conclusion**

We believe that nature friendly farming is not only better for nature, but is also the most productive and sustainable way of getting food from our land. Many farmers are already playing an incredible role in helping wildlife flourish on their farms we believe that they should be better supported and rewarded for their good work.

It is critical that both the UK and Welsh Governments listens to farmers who are calling for a radical change in food and farming policy. Government must work hard to win our trust by resisting the urge to "race to the bottom", but support farmers with delivering a better farming future. We cannot miss this significant opportunity to transform Welsh agriculture in order to help farms evolve and thrive, whilst restoring and protecting our natural heritage.