

Rural Development Sub-Committee

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Inquiry into the Provision of Local Authority Farms - Evidence from YFC

7th July 2010

Introduction

Wales YFC would like to thank the Rural Development Sub Committee and the National Assembly for the opportunity to put across their points of view. As a movement we are committed to maximising the opportunities available to the rural youth in Wales.

Background

Wales YFC is made up of over 6,000 Young members aged between 10 -26 from across Wales. We are a progressive movement that readily embraces change for the better and encourages the development of the countries rural youth.

The Welsh Agricultural Industry.

The Agricultural Industry in Wales is a major employer both directly and indirectly with around 57,600 people in full time, part time or seasonal employment according to figures released in 2009, in the Welsh Assembly Government Farming Facts and Figures report. There are many businesses which rely on the agricultural industry to survive which are not taken into account in these figures. Without a way for young farmers to gain access into the industry the average age of farmers will continue to rise and the new ideas that the young farmers can bring into the industry could potentially be lost

Family farms are very important in Wales and many young people work on the home farm before taking control of the business further down the line. The problem arises when a family farm then has to support more than one next generation farmer, this usually is not financially possible and the younger son/daughter is often required to find employment elsewhere. It seems a shame that young people who are passionate and have been involved in farm life since birth can't access the industry for themselves.

The other concern is young people who are not from an agricultural background but wish to enter the industry. They have no way in but through agricultural employment, renting or buying land for themselves which is not financially possible. By providing land on a fixed tenancy to allow them to make a start in the industry we could ensure that agriculture in Wales continues to thrive.

The future contribution of the local authority farm network in Wales to providing a key access point for new entrants to farming and promoting progression of existing tenants within the public and private sectors;

Historically Local Authority farms were set up to aid new entrants in gaining access to the agricultural industry. They were designed to be a stepping stone for relatively short term before moving on to buy or private rent. As suggested above many young farmers have no other financially viable way into agriculture as head of holding. The short term tenancy on a LAF would allow them to build their collateral in livestock and ensure their business ideas were sound before taking too much of a risk.

By giving the young farmers the opportunity to access the industry the chances of them remaining within it are high. There is therefore the opportunity for farmers wishing to rent or share farm to view the work already achieved by a young farmer before considering entering an agreement with them. The ability to see the potential of a farmer may encourage the older generation farmers to enter these type of agreements.

How tenancy legislation can best provide a balance between the flexibility needed by new entrants and the long-term security needed for the best management of rural land;

Any legislation that is produced needs to allow flexibility within the regulations. Many of the Local Authorities that still have farms keep them on life tenancies or FBT's which are both long term arrangements. They don't allow much scope for young entrants into agriculture as it is rare that these come available and when they do there is fierce competition for them.

We are V supportive of LAF, but they must be regulated, and looked after better. Tenancies should be of a maximum of 15-20 years so that new entrants would then have a better opportunity to access the industry, and more often. One fault of these farms, and its really a fault of the local authorities is that tenancies are allowed to roll on for years. Some instances you have a tenant in his 70s still paying rent for the farm even though his sons are farming. The balance between providing opportunities for young entrants and providing long term management of LAF is a difficult one and we feel that currently most local authorities consider the long term management and security of the holding a higher priority than the accessibility for young entrants.

How to encourage long-term investment and diversification of tenanted farms whilst maintaining the size of the local authority farms estate;

This is always a concern with a rented property, the tenants who rent the smallholding/farm need to ensure they put away enough to allow them to move on from the LAF. They will in the majority of cases be reluctant to spend large amounts of money on improvements

that will out live their tenancy of the property. This is where the life time tenancies and FBT's come into play. The security that they provide will ensure a better level of investment into the property and ensure that it is maintained to a higher standard.

Whether a co-ordinated approach to the disposal and/or retention of local authority farms is needed;

One of the main things that struck home when looking into the availability of LAF across Wales was the differences between the Local Authorities. Many no longer have smallholdings or farms as part of their estates and the ones that do have such variation in the way they manage them it is difficult to find any commonality between them.

This again makes it difficult for the young entrants that are trying to take up any opportunities that may be available. If there was a co-ordinated approach to LAF's then it would ensure easier access to information and hopefully a more direct route to finding out about availability and specifics.

Whether local authorities and the Welsh Assembly Government could take any further action to help maintain and develop the local authority farm network in the future, both in terms of improving the estates themselves and contributing to wider community and environmental goals.

Many Local Authorities have sold off land and much of their estates to ensure funds and produce an instant income. This may benefit them in the short term but the regular income of a property if properly managed could be a more valuable asset. We feel that the Welsh Assembly Government should do what's possible to secure the future of the remaining LAF's and set regulations in place to allow young entrants the opportunities that they were designed to provide.

The Smallholdings and Allotments Acts of 1907 and 1908 ensured that all Councils were placed under a statutory duty to meet the demand for applications by young persons to enter into farming. The demand in each parish was to be satisfied as far as possible by the provision of land in that parish. Funding for such land was provided by the Ministry of Agriculture, it is understood that the pressure on today's government budgets will not allow this level of financial support but we feel that there should be a degree of protection of the remaining properties.

Conclusion

The main concern of the YFC is the future of the Agricultural industry and entry into that industry for young people. The average age of head of holding farmers is 58 and this is of great concern to our organisation. There are many incidences of sons working on the home farm well into their 40's and above before they gain management control. Local Authority Farms were set up as a stepping stone for young people getting into agriculture post world war two and were designed to give a foothold into the industry. We feel that this should continue to apply in the present time and allow our next generation farmers the opportunity to make their living doing something they are passionate about.