



Senedd Cymru  
Pwyllgor yr Economi, Masnach a Materion  
Gwledig  
Blaenoriaethau ar gyfer y Chweched  
Senedd  
ETRA - 01  
Ymateb gan: NFU Cymru

Welsh Parliament  
Economy, Trade and Rural Affairs  
Committee  
Priorities for the Sixth Senedd

Evidence from: NFU Cymru

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Dear Committee

### **Priorities for the Economy, Trade and Rural Affairs Committee**

NFU Cymru very much welcomes the opportunity to feed into the Committee's assessment of priority issues to consider as part of its future work programme. The committee has a wide remit covering the economy, trade, and rural affairs, and perhaps uniquely, Welsh farming has a major interest in all three of these areas.

NFU Cymru's vision is for a productive, profitable and progressive farming sector producing world renowned climate friendly food in an environment and landscape that provides habitats for our nature to thrive. Welsh food and farming can deliver economic, environmental, cultural and social benefits for all the people of Wales whilst meeting our ambition for net zero agriculture by 2040.

Ahead of May's Senedd elections, NFU Cymru produced a Manifesto for the 2021-2026 term, setting out in some detail our key asks of the Welsh Parliament and Welsh Government for the next five years, to help us deliver on this vision, this comprehensive document can be accessed [here](#).

### **Priority Issues for the Committee to consider**

NFU Cymru was pleased to see the **Water Resources Regulations 2021** being remitted to the Committee for review, with unanimous cross-party support. It remains the case however that the regulations continue to be part of Welsh law unless and until they are changed by Welsh Government.

As we know, over the course of the next few months and years the regulations will be subject to a phased introduction as increasingly onerous requirements are brought in which will not only increase the bureaucratic burden faced by farmers but will also require long term business decisions to be taken about investment in on-farm infrastructure. Such decisions have very significant cost implications and very often

significant lead in times. We would ask the committee to make a particular priority of this review process so that Welsh Government may then reflect on these recommendations and decide on any changes, giving farmers the certainty they need to be able to plan for the future.

More generally we would make the point that **regulation**, specifically falling foul of regulation is a constant source of anxiety for farming families, and in survey work of NFU Cymru members it comes across as one of the key factors having a negative impact on farming businesses. Whilst NFU Cymru accepts the need for a level of regulation we are firmly of the view that it should be proportionate and based on risk, science, and evidence. We see a key role for this Committee between now and 2026 in terms of ensuring proper scrutiny and accountability when it comes to the deployment of regulatory options by Welsh Government, and bodies working for or controlled by Welsh Government.

Welsh Government, in their recent Agriculture Bill (Wales) White paper propose National Minimum Standards and enforcement through Civil Sanctions. NFU Cymru believes the development of the regulatory framework should be based on science and evidence and start with a full-scale review and gap analysis of the current regime. Enforcement should be proportionate and fair with appropriate separation of powers.

Whilst **international trade** is of course reserved to the UK Government, the implications of trade agreements reached with third countries will be felt very acutely in sensitive sectors of the economy, such as the one we represent. We must therefore be alive to some of the downside risks that could flow from the 'wrong' type of trade deal and so we are firmly of the view that trade deals and their implications need to be properly understood and scrutinised.

We cannot get away from the fact that trade agreements very often give rise to obligations which must be delivered and overseen at a devolved level. The pace with which some trade negotiations appear to be moving forward, may well require quite an agile and flexible approach on the part of the Committee and relevant stakeholders when it comes to considering the implications for Wales of trade deals concluded by the UK Government. We very much welcome the fact that there is a Senedd committee with responsibility for trade and we look forward to engaging with the Committee's work in this area.

**Bovine TB** continues to cast a long shadow over a great many farming families in Wales, leading to considerable financial and emotional strain. Although there have been some marginal improvements in terms of the disease picture in Wales, around 10,000 cattle in the prime of their productive lives are culled annually due to TB. We are keen to ensure that in the Sixth Senedd, this issue secures the profile it needs and deserves. NFU Cymru is therefore of the view that an early examination of the Welsh Government's TB policy should form a strategic priority for the Committee, with Welsh Government TB policy subject to regular examination and scrutiny thereafter.

This month we had confirmation from the Welsh Government that an **Agriculture Bill** will feature in its legislative programme for the opening year of this Senedd term, meaning that for the first time in our history, we will have the opportunity to design and implement a comprehensive food and farming policy specific to Wales for a generation to come, through a policy made in Wales, for Wales. It is therefore vital that we get this legislative process right.

At present however, the Welsh Government's future agriculture policy proposals do not align with NFU Cymru's ambition for the sector. In addition to this we would have significant concerns if for example a framework type bill was introduced which might amongst other things confer extensive powers on Welsh Ministers to make future regulation and regulatory changes, whilst providing little in the way of clear detail, setting few parameters on executive action, and placing few actual duties, including duties to consult, on Welsh Ministers. We therefore anticipate a crucial role for this Committee in terms of shaping the Bill and its provisions.

The UK Government's Spending Review of late 2020 revealed a £95million black hole in terms of agricultural support, something which was a cause for considerable alarm amongst Wales' farmers. In the lead up to the EU Referendum and thereafter, we have been consistently told that **funding** for Welsh farming would be maintained and protected following our departure from the EU. We were told Welsh farming would not receive a penny less in funding as we move out of the CAP. We do not consider the shortfall we are witnessing in terms of agricultural support to be consistent with these assurances and we need to ensure that Wales is not disadvantaged in terms of funding for agriculture and rural development as a result of Brexit. We look to this Committee to play its part in seeking to ensure that Welsh farming has stability and certainty in relation to funding for the term of this Senedd.

NFU Cymru has been disappointed by delivery of the **Wales Rural Development Plan 2014-2020**. Its roll-out has fallen far short of its original ambition of transformational change for the sector leaving farmers feeling frustrated by bureaucratic application processes, sporadic application windows, and often the allocation of inadequate funding to those windows. The overall level of spend currently stands at 61%, whilst the spend of the domestic co-financing element of RDP funds lags further behind at 53%. With the time available for the roll-out RDP projects (in accordance with the N+3 rule) diminishing with every passing day, unless something radical changes we face the real prospect of unspent funds being forfeited to the European Commission.

We would welcome it, if as part of its forward work programme the Committee were to consider the administration and delivery of the Wales RDP. This is something which crosses-over with the remit of the Public Accounts and Public Administration Committee and there is most probably merit in the committees considering a collaborative approach to this issue.

NFU Cymru recognises the challenge presented to a committee of six members meeting fortnightly in terms of getting to grips with a range of pressing work areas whilst

also delivering an effective scrutiny function. As a Union we welcome the committee's pro-active stance in terms of identifying priority issues for future consideration through stakeholder engagement, whilst stressing the point that we would not want this to mean the de-emphasising of the committee's other important role in terms of scrutinising relevant Ministers, Welsh Government officials and public bodies.

NFU Cymru very much looks forward to working with the ETRA Committee over the course of this sixth Senedd, and if there is anything further you would like to discuss then please do get in touch.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Huw Thomas', written in a cursive style.

Huw Thomas  
Political Adviser  
NFU Cymru