HRLN 20 - Evidence from: Farmers' Union of Wales

Senedd Cymru | Welsh Parliament

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Atal a gwrthdroi colli natur erbyn 2030 | **Halting and reversing the loss of nature by 2030**

FUW response to the Climate Change, Environment and Infrastructure Committee's call for evidence on 'Halting and reversing the loss of nature by 2030'

1. Your views on the effectiveness of current policies / funds / statutory duties in halting and reversing the loss of nature by 2030.

Current policies

Cross compliance- Over 16,000 Basic Payment Scheme recipients, covering the vast majority of Welsh farmland, must adhere to a plethora of different (EU derived) scheme rules (or 'Cross Compliance') in addition to the regulatory baseline (such as The Water Resources Regulations), many of which relate to the environment. Good Agricultural and Environmental Condition (GAEC) regulations under Cross Compliance, as well as the Greening Payment, include closed periods for tree and hedge cutting, preserving landscape features, buffer strips, groundwater and soil management, PPP restrictions and various requirements for permits, consents and licences for certain management. Land designated as SSSI, SAC or SPA have additional requirements. See 2024's requirements here- https://www.gov.wales/cross-compliance-2024. Any 'breaches' are dealt with fairly efficiently via penalties to BPS funding, providing both the 'carrot and the stick'. The BPS funding also assists with enabling Welsh farmers to compete against products or imports which do not have to adhere to the same level of environmental compliance. The new Sustainable Farming Scheme (SFS) currently has 17 proposed 'Universal Actions' (in addition to current cross compliance rules) in order to obtain a payment and access into the scheme, many of which relate to nature/biodiversity.
https://www.gov.wales/sustainable-farming-scheme-guide
There were proposals in the Agriculture (Wales) Bill White Paper to move away from penalties towards Civil Sanctions. However, the FUW had concerns that a move away from the current

system could be an inefficient, burdensome way of dealing with breaches, placing more responsibilities onto already stretched public authorities.

Glastir, Capital environmental grants & under-management

Farmers have embraced agri-environment schemes such as the recently closed Glastir scheme. During the past two decades the proportion of Welsh farmland in environmental management agreements had increased from around 19% in the mid-2000s to around 36% in 2019. However the most recent interim scheme between Glastir ending and the SFS commencing ('Habitat Scheme Wales') has reduced this back down to 19% (including Commons agreements). Some farms have had to drastically change their farming practices and business in order to comply with, and benefit from, Glastir funding.

The Glastir Monitoring and Evaluation Programme (GMEP) has shown that Glastir and other capital grants have had a positive impact on creating habitat features and connectivity (such as hedgerows, ponds, riparian corridors, orchards and hay meadows), although analysis is still ongoing. Ecological conditions have been protected within the scheme, showing general stability. For example Soil Organic carbon levels have been protected and show no change/loss or overall erosion over 25 years. It is forecasted that new streamside corridors with tree planting and extension of existing woodland edges will reduce flooding, whilst 60% of streams retained good ecological quality[1].

Please see figures below from the Welsh Government (waiting to be updated and further verified) which show recent headline habitat creation/management figures.

	2016	2020	Jan 2023

[1] Glastir Monitoring and Evaluation Programme (GMEP) | UK Centre for Ecology & Hydrology.

Hectares of land under agri-environment contract in Wales	xxx	452,609	330,027ha
Hectares of sustainable upland management regimes	135,217	120,206	113,649
Ha of streamside corridor - created or maintained	561	361	343
Metres of new or restored hedgerows	tbc	tbc	69,119
M^2 of new ponds created	30,219	20,341	16,771
Hectares of managed hay meadows	8,418	5,559	5,243
Hectares of zero input grasslands	60,635	54,881	52,370
Hectares of unharvested or unsprayed cereals	3,998	1,891	1,731
Hectares of winter stubble	2,317	1,102	982
Ha of Orchards under management.	107	93	86

(It should be noted that the above figures only represent land in Welsh Government schemes. Many more farms will be undertaking habitat management and creation either off their own backs, or through different projects.)

Wider surveys[2] (not just of Glastir land) shows species richness improving on acid grassland and on heath habitat, indicators of improved soil health on improved grassland, and high butterfly and bumblebee counts on marshy grasslands. GMEP has also shown improvements in numbers of arable plants, grassland fungi, bats, butterflies, Water Voles and Brown Hares.

However, "there is little difference in overall condition and habitat diversity to land not in the scheme, although habitats are generally better connected'[3] (demonstrating the value in the capital works projects farmers have undertaken).

There are two potential reasons for this surprising finding. Firstly, that land under

[2] https://erammp.wales/sites/default/files/2022-11/30-ERAMMP-Rpt-30-GMEP-re-analysis-for-SoNaRR2020-v1.0.pdf

[3] https://gmep.wales/summary-gmep-results

Agri-environment schemes may not be a large enough percentage of land to help habitats or wildlife flourish (Glastir contracts covered around 2500 farms out of 16,000 BPS recipients). Many farms who wished to enter Glastir could not do so due to 'point' systems or mapping barriers. The other potential reason is that the habitat prescriptions (particularly stocking rates) designed for Glastir have not had the desired improvement in habitat condition.

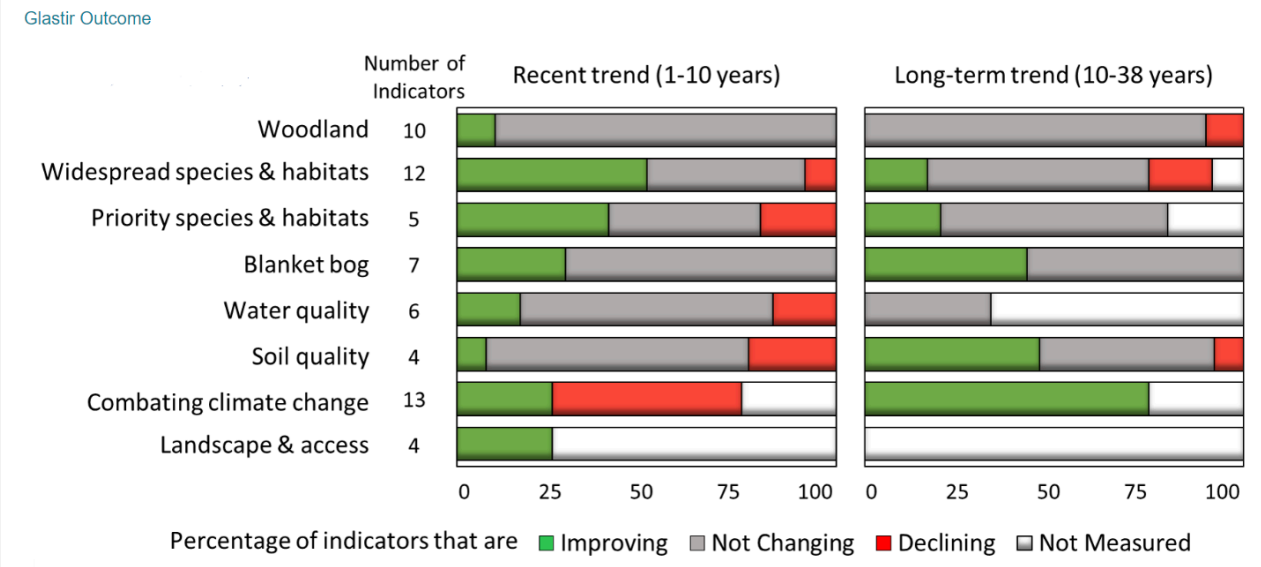

Figure Explanation: *Comparison of recent and long-term trends for Glastir outcomes using agreed high level GMEP indicators. Results are shown as the percent of indicators for each outcome that show statistically significant improvement, decline or no change. For some trends, not all indicators have been measured in the past, but GMEP has now provided a baseline to enable future reporting. Priority species and habitats and blanket bog are reported separately due to interest surrounding these results, particularly the impact of blanket bog restoration projects.*

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For example, woodland does not have a long term trend of improvement, with some decline, despite many woodlands going into these schemes. Many of these woodlands have been under 'stock exclusion' prescriptions via Glastir. Yet under-management has been highlighted as a key barrier to improving habitat conditions. For example, 67% of SSSI sites are identified as being in need of management action. Platlife stated '*Unless woodland management is revitalised, we will continue to see a net loss of woodland plant diversity and abundance, however many new woodlands we create. We need to focus less on the quantity of woodland and focus instead on the quality*."[4]

Plantlife believes active woodland management is key to preventing further biodiversity loss

[4] Forestry Recommissioned: Revitalising the Woodlands of Wales Plantlife

through grazing livestock, coppicing for firewood or timber and managing invasive species. These figures highlight the value of using grazing livestock to create open areas within woodland;
- One factor behind the 50% decline in pied flycatcher in Wales is the reduction or cessation of grazing in upland oak woodlands, leading to overcrowded shrub and field layers.
- The pearl-bordered fritillary, which likes open woodland, has declined by 80% since 1985.

- Sadly only 7% of priority woodland wildlife is stable or increasing.

Plantlife puts this down to many woodlands being neglected, mismanaged or under-managed. When left unmanaged and ungrazed, many woodlands have developed into high forest, devoid of structural complexity, habitat diversity, and, crucially for many woodland plants and mosses, light.

Furthermore, many farmers have reported the low and prescriptive Glastir stocking rates creating large areas of under-grazed molinia (purple moor grass), thus smothering out mosaics of heather, bilberry, bog asphodel and other wet upland acid plant species, meaning that areas of acid grassland get over-grazed due to livestock not wanting to graze the molinia areas. The same has happened with bracken encroachment. The focus on livestock units per hectare as opposed to time of grazing/rest and active management (such as burning) has arguably inadvertently reduced the habitat quality. Similarly, analysis by Plantlife has shown that more than half of all wild plants need regular management or disturbance to thrive, and that 39.6% of species would decline within a decade if the land on which they grow is abandoned, while 16.4% would decline within 1-3 years under such circumstances. The reduction of cattle grazing in the uplands (and the resultant loss of vegetation structure) due to bTb issues, winter grazing or supplementary feeding restrictions, cost and infrastructure, (again creating the dominance of species such as purple moor grass) – has had adverse impacts for species such as golden plover and other waders, including curlew[5] - now considered the most pressing bird conservation priority in the UK.
New schemes must ensure they utilise the biodiversity enhancing potential of grazing livestock and active management.

[5] Changing livestock numbers in the UK Less Favoured Areas – an analysis of likely biodiversity implications, RSPB, December 2012

Funds

Despite claims from the previous Westminster Government that there wouldn't be a 'penny less' after Brexit, by 2025 Wales will have received around quarter of a billion pounds less in funding for agricultural and rural development than could have been expected had the UK remained within the EU[6]. Furthermore, despite reassurances by the Welsh Government that new 'public goods' schemes would pay over and above income foregone, and would pay farmers fairly for the environmental outcomes they create, the value of the Habitat Wales Scheme has dropped by over £12 million (£12,245,05) in comparison to the Glastir Contract value, albeit covering a larger area of land and being open to more farmers. The value of Commons contracts has dropped by £1,450,347. The payment rates for the SFS are still unknown. This has severely reduced farmers' confidence in environmental schemes, with many looking to make up any reductions via increased production. A report by the RSPB Cymru, National Trust Cymru and The Wildlife Trust Wales also states that *"the current agricultural budget for Wales is half the amount required to meet nature restoration and climate targets through farming and land use, and put Welsh farming on a more sustainable footing"*[7] and *"increasing Welsh investment to £594 million per annum is essential…"* (CAP funding, legacy funding & Welsh Government co-funding was worth £373m annually between 2014-2020)

It is also vital that these funding structures are multi-annual. Projects to create, manage and enhance habitats are long-term investments in our land and farmers' capabilities to deliver for nature alongside profitable businesses and sustainable food production.

Statutory duties

Whilst regulation is a tool in the toolbox for preventing environmental damage, the new Water Resources Regulations 2021 are an example of using resources ineffectively on administering pan-Wales regulations for every farmer instead of taking action to innovate, deal with genuine

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6 https://www.fuw.org.uk/images/pdf_header_images/policy_pdfs/ElectionManifesto-English-Spring2024.pdf

7 " Major nature charities highlight the need for £594 million annually to support nature friendly farming in Wales

pollution risks, and explore alternatives. Furthermore, the regulations are costing Welsh farmers as much as £360m (pre-inflation) in infrastructure costs alone, (ironically of high-carbon materials such as steel, concrete etc for slurry stores). NRW had recommended, based on evidence, that 8% of Wales should be subject to such regulations, not 100%. A scientific analysis of areas designated as NVZs for between 12 and 15 years showed that 69% of NVZs showed no significant improvement in surface water concentrations even after 15 years and that compared to a control (non-NVZ) area, 29% of NVZs showed a significant improvement but 31% showed a significant worsening. Meanwhile every farmer in Wales, in addition to infrastructure requirements, also have to complete multiple paper trails (Nutrient Management Plan, Risk Maps, stock records), with the Welsh Government also spending £9m on 'advice' and workshops as opposed to tackling the highest risk activities/areas and incentivising positive practices- as was proposed within the 45 industry recommendations effectively ignored by Welsh Government.

Instead of increasing the regulatory baseline and focusing on farmer paperwork requirements, the Government should be aiming to provide support and incentives for positive practices, in addition to tackling genuinely higher risk issues (Research by Y Byd ar Bedwar found that Natural Resources Wales did not attend more than half of incidents reported to them between January 2023 and January 2024, while Dwr Cymru have been downgraded from a three star company to two star). We should be encouraging innovation, education and incentives to deliver on sustainable production methods as opposed to ever changing and escalating regulations or limits.

2. Your views on the progress towards implementing the Biodiversity Deep Dive recommendations.

(We would be grateful if you could keep your answer to around 500 words).

"Unlock the potential of designated landscapes (National Parks and Areas of Outstanding Natural Beauty) to deliver more for nature and 30 by 30"

One successful action for biodiversity are the schemes administered by National Park staff/departments who have a clear understanding of agriculture, good links with the farming communities in their area, and are able to partner with other organisations to unlock funding. For example the Conservation, Trees and Agriculture department in Eryri National Park consistently facilitates capital grants to farmers for habitat creation such as scrapes and ponds, hedgerows and fencing, green hay distribution amongst others. The Pembrokeshire National Park have gone a step further and enabled a project which provides multi-annual management

payments to enhance species rich grasslands, hay meadows and heathland management (Connecting the Coast[8]). Examples of specialised projects which partner with County Councils to deliver outcomes on farms includes Ffermwyr yr Wnion[9] or Dolydd Llyn[10] and other Payment for Outcome projects[11].Whilst obviously this does represent a postcode lottery of support for those wanting to access these funds who may not be in a designated landscape, it is welcome support for farmers delivering on-the-ground action for biodiversity.

"Transform the protected sites series so that it is better, bigger, and more effectively connected (SSSI, SAC)"

Please see our appendices for the FUW response to a Call for Evidence on Protected Sites by the IEPAW. According to NRW, during 2017, 67.1% of SSSI sites in Wales were identified as being in need of management action, yet only 5.47% of SSSIs are covered by management agreements between NRW and the owner-occupier. Last year, our members who had Section 16 Management Agreements to manage SSSI/SAC land had them terminated, with no transitional funding offered. The Habitat Wales Scheme did not pay on SSSI/SAC land. Meanwhile, the Nature Networks Fund[12] offers one off grant funding for £50,000-£1 million capital schemes, largely spent on staffing, surveying, and some capital works. The ability for farmers to access this fund to provide an income for managing designated sites for biodiversity is limited, conservation organisations tend to be the beneficiaries. Again, this reduces farmers' confidence in environmental schemes, and does not reward long term management, which is what the sites need. Under-management is now identified as one of the major threats to sites where Red Data List plants grow.

"Unlock public and private finance to deliver for nature at far greater scale and pace"

Please see the FUW's 'five principles for environmental payments' attached in the appendices. This includes 'clarity and information', 'regulation and protection', 'access and active management', 'balancing land use demands and permanence', and 'a fair price', in addition to our 'Call for Action on Carbon Trading'. Accessing these markets is difficult for small family farms, but they do represent a potential future income stream.

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[8] Connecting the Coast

[9] Ffermwyr yr Wnion - Climate Action Group Farm Project | Nature Friendly Farming Network, NFFN

[10] Dolydd Llŷn Meadows (@dolyddllyn) • Instagram photos and videos

[11] Programme of work for semi-natural grasslands in Wales – evaluation of priority areas

[12] https://www.heritagefund.org.uk/funding/nature-networks-fund-4

3. Your views on current arrangements for monitoring biodiversity.

(We would be grateful if you could keep your answer to around 500 words).

Current monitoring of biodiversity on farmland is fragmented. In regards to pan-Wales Welsh Government surveys, the ERAMMP (Environment and Rural Affairs Monitoring & Modelling Programme), GMEP (Glastir Monitoring and Evaluation Programme project), Living Wales EO and satellite imagery and other data gathered for SONARR, are highly detailed. Some farms have undertaken additional monitoring via Farming Connect or AHDB biodiversity baseline surveys, stand-alone surveys for particular species or projects, or via volunteers such as BTO surveys. Some landlords, such as the National Trust, also undertake their own farm habitat surveys.

However, limited communication of these results back to farmers, as well as a consolidation of the data, is a missed opportunity to demonstrate changes, successes and important information about habitats or species. This was also a criticism of Glastir, which focused on the 'do nots' as opposed to communicating the reasons for such management. Combining data from various surveys would also allow the farmer to gain a better picture or understanding of their land. For example, soil testing has been undertaken via Farming Connect for years, with more recent testing including % of organic matter (a good biodiversity indicator) and soil structure. Yet these results are not accessible nor used by the Welsh Government for Welsh soil data collection.

The FUW have welcomed Welsh Government's plans to utilise RPW online for SFS habitat baseline surveys. There were concerns that undertaking individual in-person surveys for each farm could be a costly exercise, which would divert budget away from environmental action on farms to pay for surveys instead. Neither are there enough skilled ecologists who have agricultural systems knowledge, nor are Welsh-speaking, to undertake these surveys. Instead, Wales' state-of-the-art RPW Online system efficiently collects annual data relating to 170 types of land use on hundreds of thousands of field parcels and areas throughout Wales, at a resolution of 0.01 hectares, confirmed by farmers each year as part of the Single Application Form process, representing 30 years worth of data collection. There is also a voluntary data confirmation exercise open currently until the 6th of December. The aim of the data confirmation exercise is to update RPW mapping systems with the correct habitat areas and tree canopy cover on all farms, in advance of the SFS design being finalised and the introduction of SFS in 2026. The FUW have long since argued to fully utilise and develop RPW online, and reward the provision of data by farmers, rather than introducing costly, bureaucratic and burdensome schemes that undo the progress made through the development of RPW Online.

For example, the Control of Agricultural Pollution regulations paperwork requires data (on a spreadsheet) such as field sizes and livestock numbers. Risk maps have to be drawn/coloured to show watercourses, slopes, sandy/shallow soils, SSSI's, or land in Agri-environment contracts. All of this information is already mapped out on RPW Online (& BCMS for cattle numbers) against each farm. This is a missed opportunity to combine data sets, and avoid duplication of paperwork and information, which could have enabled nutrient information to be mapped against habitats or land use.

Whilst we appreciate communicating this data succinctly, on maps, and of relevance to the farmer is a challenge, many members would appreciate the ability to demonstrate the work they've done over the years (such as through Glastir) and to view changes and developments on their own farms.

4. Your views on new approaches needed to halt and reverse the loss of nature by 2030.

(We would be grateful if you could keep your answer to around 500 words).

Sustainable Farming Scheme

Ensuring all farmers are able to access and benefit from the new SFS will be crucial to ensuring Wales' farmland can deliver for biodiversity. Rewarding existing habitat and woodland management on all farms is an important step forward, as previous schemes have often paid largely on new habitat or woodland creation. Furthermore, woodland and scrub cover had been penalised until very recently under BPS payments to reward food producing land. The introduction of the Optional Layer of the SFS (once the Universal is rolled out) will also be vital to support those who want to go further in regenerating nature-filled farm landscapes to do so in a financially viable manner for their businesses.

Predator control

Predator control is often overlooked in the journey towards increasing wildlife numbers, particularly for vulnerable bird species. The Game and Wildlife Conservation Trusts's three-legged stool approach - habitat management, predator control and supplementary feeding – have been used with great success to increase farmland bird numbers[13]. Birds who are already vulnerable due to low numbers and habitat loss are at particular risk of being predated on. Colwell et al. (2020) informs that chick and egg predation is a major driver of Curlew population decline. One study showed that predation has increased from 16% to 65% of curlew nests predated per year across Europe, when looking at the periods pre-1980 compared to

[13] Farmland bird declines can be reversed in three years says GWCT Wales

1996-2006. In Northern Ireland, a study on nesting success found that up to 97% of nest failures and 74% of chick mortality were due to predation, mainly from foxes and predatory birds[14].

Soil health and plant diversity in grasslands

Approaches to improve soil health, plant diversity and rooting depth have many co-benefits for carbon sequestration[15], water infiltration[16], food production[17] and the health and abundance of soil organisms- the basis of the entire food pyramid and therefore vital for biodiversity. Diversity of plant species provides different niches for insects, particularly on species rich grasslands which vary between grazing/late cutting, thus providing a mixture of short and long grass and flowers/seed heads throughout the year due to grazing management or cutting. There is great potential in Wales to increase species diversity and the biodiversity of grasslands as 1.4 million hectares of land in Wales is permanent grassland used for grazing livestock, with an additional 180,000ha of common rough grazing. Furthermore, soils store significant amounts of carbon as soil organic matter at about 3.5 times greater than plants[18]. Supporting this approach would enable food production to continue whilst increasing biodiversity.

Farmer-led action

Many farmers are leading the way on balancing land use demands with viable rural businesses, whilst experimenting with farming techniques which enhance biodiversity. Grassroots groups such as the GWCT Farmer Clusters, Pasture for Life groups and farm visits, Farming Connect discussion groups/demo farms and LEAF farms are all examples which should be supported.

5. Do you have any other points you wish to raise within the scope of this inquiry?

(We would be grateful if you could keep your answer to around 500 words).

Whilst trade deals are outside the remit of the Welsh Government, enhancing biodiversity and halting the loss of nature should be considered on a global basis. Trade deals which undermine domestic food production through lower environmental standards impact negatively on our own farmers' ability to halt and reverse the loss of nature, in addition to the environmental damage caused by such imports. For example, food that is imported has a total impact on

[14] https://www.gwct.org.uk/advisory/guides/conserving-the-curlew/
[15] Grassland soil carbon sequestration: Current understanding, challenges, and solutions | Science
[16] Soil organic matter and water retention | Agronomy Journal
[17] Healthy soils are the basis for healthy food production
[18] https://www.nature.com/articles/s41467-019-08636-w

species/wildlife loss ten times greater than the food we produce domestically[19]. Undermining domestic food production can also be caused by policies which further regulate the industry without providing support and payments for best practice. Therefore the Welsh Government must exercise caution when raising regulatory burdens which could make imports or food produced to lower standards more competitively priced.

Whilst this consultation looks primarily at a target date of 2030, policies, incentives and regulation must look further ahead, to ensure that they are sustainable and long-term proposals, which do not create inappropriate trade offs in the pursuit of a short term goal.

Annex 1: Five policy asks for environmental payments

Five policy asks: how can we make environmental payments and private markets work for farmers?

What do farmers need?

1. Clarity and information

Due to the immaturity of natural capital markets and the diversity of schemes, it is difficult for farmers to find payment rates, opportunities, trusted brokers and information on the commitments involved. This also applies to other government funding streams and how they will interact with private funding, in addition to taxation implications. Without clear, up-to-date information on the financial and practical implications of these actions, farmers are unable to make business decisions about whether they want to and/or which actions to implement.

Cost effective, accessible and reliable data is also required to identify opportunities, measure progress and assess land use options. For government schemes, the FUW has consistently lobbied for RPW Online/IACS data from SAF submissions to be better utilised.

2. Regulation and protection

Without effective regulation and standards in the market to protect the supplier (i.e. the farmer) the perceived risks are too high, particularly as there is a potential power and resource imbalance between market players/buyers and individual farmers. This is particularly true of newer markets where there may be long term liabilities involved for the suppliers/farmers (such as replanting after forest fires or disease outbreaks which are out of the control of the farmer). Governance and a sound policy framework is needed.

[19] https://www.nationalfoodstrategy.org/

3. Access and active management

55% of all Welsh farm holdings are under 20 hectares (ha),with the average size being 48ha. However, many of the carbon credit sale structures suit economies of scale due to the cost of registration, validation and monitoring per project. There are also challenges for tenants due to the long-term commitments or land-use change implications associated with these schemes. If farmers are going to play a role in the delivery of these ecosystem services, schemes need to suit smaller farms and tenants alike.
Furthermore, for simplicity, schemes and calculations sometimes prefer to fence out/'set aside' or separate biodiversity from farming despite the fact that many habitats are reliant on active management. For example, in 2014 a meta-analysis of 276 scientific papers by Stockholm University reported that 65% of studies of the impacts of farmland abandonment in Europe reported negative impacts on biodiversity.

Active management could include grazing to enhance species rich grasslands, wood pasture, wetlands or heathlands, cutting for hay meadows, or invasive species control. Furthermore, these schemes must respect and reflect local knowledge and generational experience which will be crucial in adapting to climate change and enhancing biodiversity alongside food production.

4. A balance between land use demands and permanence

Farmers are experiencing uncertainty and contradictions around how they can best use the land that they manage. Farmers need to consider what may be required to qualify for government support schemes (e.g. proposed 10% habitat and 10% woodland thresholds for the SFS); what their supply chain might require (e.g. a carbon audit may show the need to increase output per animal to reduce methane emissions, or suppliers may stipulate they want to source from 'Net Zero' farms); what they need to comply with in terms of regulatory requirements (e.g. land area for spreading slurry as part of the Water Resources Regulations); what can be sold as 'additional' into a market which is then permanently committed**; what future generations may need for food security purposes (40% of UK food is now imported)** and last but not least, what makes financial sense for their business, family and resources? Meanwhile, some private markets and schemes require long term 'permanence' reassurances (woodland carbon can be 100 year schemes/permanent commitment, and peatland and biodiversity net gain can be 30 year commitments). Making permanent land use change decisions is therefore difficult due to these varying demands.

5.A fair price
Creating, managing and maintaining habitat as part of a farm business and farm operation requires management skills, vision, planning, local knowledge, capital costs, time and maintenance, in addition to varying lengths of land use commitments.
Therefore, both public and private schemes must provide a fair price to reflect these provisions and commitments from the farmer. Far too often public schemes are capital cost contributions, a provision of

‘advice and guidance’, or ‘income foregone’. Payment rates should also reflect the value to either society or to the business buying the ecosystem service.