

HRLN 21 - Evidence from: NFU Cymru

Senedd Cymru | Welsh Parliament

Pwyllgor Newid Hinsawdd, yr Amgylchedd a Seilwaith | Climate Change, Environment, and Infrastructure Committee

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

To: Senedd Climate Change, Environment & Infrastructure Committee

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**Senedd Climate Change, Environment and Infrastructure Committee Inquiry:
Halting and reversing the loss of nature by 2030**

- 1 NFU Cymru welcomes the opportunity to provide written evidence to the Senedd's Climate Change, Environment and Infrastructure Committee Inquiry on 'halting and reversing the loss of nature by 2030'. We note the Committee is particularly interested in the following:
 - The effectiveness of current policies / funds / statutory duties in halting and reversing the loss of nature by 2030;
 - Progress towards implementing the Biodiversity Deep Dive recommendations;
 - Current arrangements for monitoring biodiversity; and
 - New approaches needed to halt and reverse the loss of nature by 2030.
- 2 NFU Cymru champions Welsh farming and represents farmers throughout Wales and across all sectors. 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.
- 3 Farmers manage over 80% of the land in Wales and recognise the role they have to play in maintaining and enhancing the quality of our environment alongside their core food production role. The Welsh countryside is not natural *per se*, rather it a managed landscape that has been created, shaped and maintained by farmers over generations providing the habitats that support a range of species that are reliant on ongoing farming activity.
- 4 In the context of the challenges to global food production, it is also important to recognise that ensuring a stable supply of home-produced, high quality food is a matter of strategic national importance. Strategies for nature must, therefore, be flexible and recognise that farmers must be able to continue to manage their land for their livelihoods and for the delivery of multiple economic, social and cultural as well as environmental benefits.
- 5 Delivery for nature and any associated targets established by Welsh Government will, therefore, need to be based on a land sharing (the delivery of multiple outputs and benefits from the same land parcel) not land sparing (the repurposing of farmland to deliver new outcomes) approach and must represent viable businesses propositions for farming families, in harmony with the production of food, fibre and energy.
- 6 Farmers in Wales have participated in successive agri-environment schemes over many decades. Outside of the EU Common Agriculture Policy (CAP) framework, the Agriculture (Wales) Act 2023 provides the legislative framework for future support for agriculture in Wales with the proposed Sustainable Farming Scheme (SFS) expected to be introduced from 2026.

- 7 Nature is a key priority within the Act and the third Sustainable Land Management (SLM) duty relates to the maintenance and enhancement of the resilience of ecosystems and the benefits they provide. The Act and the framework it provides, therefore, has the potential to make a significant contribution to Welsh Government's ambitions for nature.
- 8 However, it is important to recognise that the Act has four SLM duties including the production of food and other goods in a sustainable manner as the first objective. For the purposes of the first objective, factors relevant to whether food and other goods are produced in a sustainable manner includes, among other things, the resilience of agricultural businesses within the communities in which they operate and their contribution to the local economy. Welsh Ministers must consider all four Sustainable Land Management objectives during the exercise of their duties.
- 9 The proposed Sustainable Farming Scheme (SFS), operating above the regulatory baseline, will be arranged around the three layers of Universal Actions (for which farmers will receive the Universal Baseline Payment), the Optional Action layer (for farmers who wish to do more) and the Collaborative Action layer for delivery at the appropriate scale.
- 10 The current SFS proposals place a significant emphasis on delivery for nature within the Universal Action layer, however, outcomes will be reliant on a high level of adoption of practices on Welsh farms, i.e. uptake of the scheme. Following extensive consultation with our members on SFS proposals earlier this year, we are clear far greater emphasis is needed within the Scheme design to ensure that the Universal Action layer is truly universal and is practical and achievable on all Welsh farms reflecting the diversity of farming – systems, scales and locations - we have here in Wales. We are clear the majority of farmers are likely to engage where the scheme works with farming systems and complements food production with financial support available for maintenance as well as creation.
- 11 There is also a need to recognise that, through the SFS, Welsh Government is designing a replacement for both pillars of the CAP i.e this is not just the latest agri-environment scheme iteration. It is imperative that the payment methodology for the SFS goes beyond cost incurred, income foregone calculations so that it provides sufficient economic stability to replace the Basic Payment Scheme (BPS).
- 12 NFU Cymru has long been clear that if Welsh Government has genuine ambitions for nature and climate delivery beyond current levels, then this needs to be appropriately and sustainably resourced through the provision of a realistic, multi-annual funding commitment commensurate with the scale of this ambition. Farmers will only be in a position to deliver environmental outcomes for society from a position of farm business viability.
- 13 In terms of funding for farming, NFU Cymru has long been clear that 'not a penny less' in line with Ministerial commitments means the value of Pillar 1 and Pillar 2 CAP funds including the domestic co-financing obligation on Welsh Government for rural development together with the monies arising as a result of the Bew Review, in total circa £380m per annum. It is also important to recognise that this figure is based on the EU budget which was set at the end of 2013 ahead of the 2014-2020 CAP programming period so its real terms value has been steadily eroded by inflation, particularly over the last three years which have seen very high rates of agricultural inflation. The Bank of England calculator, for example, shows the BPS budget would need to increase by £79m to £317m just to keep pace with inflation or expressed another way the budget is worth over 30% less in real terms than it was when it was set in 2013. The total CAP replacement funding of £380m needs to increase to over £507m – just to keep up with inflation.

14 During the period of transition, it is important to note that farmer confidence in Welsh Government's commitment to environmental delivery on Welsh farms has negatively impacted. Specifically, the Habitat Wales Scheme (HWS), designed without consultation with industry, which replaces Glastir for 2024 and 2025 leaves many farmers who have been involved with agri-environmental delivery for decades, and who have changed their businesses accordingly, worse off. This is as a result of the payment rates and the impact of tapering. The budget allocation for the HWS, compared to Glastir, is also much reduced. This sends entirely the wrong signal to farmers at a time when Welsh Government ambitions are expanding and farmers are being expected to do more.

15 The confidence of farmers is also undermined by the dominant narrative on the environment within the media and from government, the regulator and the environmental campaigners which is often unconstructive and demotivating. It is also out of touch with what is happening on the ground – for instance, undergrazing is more often an issue now than overgrazing. The knowledge of farmers is frequently ignored in the development of approaches and there continues to be a failure to acknowledge the positive benefits for nature provided by farming in Wales - categorised in the main by extensive grass-based systems supporting a range of interconnected habitats.

16 Farmers recognise there is more they can do, however, the current portrayal of farmers and their efforts to date, in part through successive agri-environment schemes, stand directly in the way of positive engagement with the industry and is a key barrier that needs to be overcome. Our experience is that, often, the language and terminology used is unhelpful. Whilst, in principle, a strategy for nature is not opposed, we have concerns that the use of terms such as '*Nature positive*', '*nature recovery*' and '*restoring nature*' which are highly ambiguous, likely to be subject to broad interpretation and contention. NFU Cymru believes this is likely to prove extremely unhelpful in the development of effective strategies, targets and action for nature.

17 The Welsh Government Biodiversity Deep Dive is an example where farming was largely excluded from the engagement process. For example, the 30 by 30 target has been established and is being taken forward in the absence of a participatory approach and without consultation or assessment of costs or impacts – farming representatives were not members of the Biodiversity Deep Dive group.

18 The recent White Paper on Environmental Governance referred to co-design with experts and stakeholders. As managers of over 80% of the land in Wales, farmers are going to be central to the delivery of Welsh Government's plans for nature and are also dependent on the land for their livelihoods. NFU Cymru is, therefore, clear that the views and feedback of farmers should be paramount in the development of any Strategy and / or Plan (s) for biodiversity. Mechanisms are needed to ensure that farming is central to and not sidelined from the development process. Any Strategy and Plan (s) for nature will also need to balance a range of competing needs and be set in the context of the Well-Being of Future Generations Act with requirements to deliver economic, social and cultural as well as environmental well-being. In this context, there is a clear imperative to deliver multiple benefits from the land including food production. Approaches that drive for land use change, rewilding or land abandonment must be rejected.

19 NFU Cymru is concerned that Welsh Government will establish targets for biodiversity that are unrealistic and unachievable both individually and collectively. We are not clear how a meaningful suite of supporting biodiversity targets can be established. It is not clear what baseline Welsh Government proposes to use – the condition of only half of Wales' protected sites is currently known, for example. There is also a need to recognise these are highly complex and dynamic systems influenced by many factors outside our collective control

making target setting even more challenging. For example, certain species will be impacted by external pressures such as climate change leading to a different species mix, hunting along migratory routes in other countries, or disease. Further, the interplay between species means that the improvement of conditions for one species, may lead to a deterioration in conditions or, indeed, the need to control the numbers of another. In this context, the establishment of a framework for nature including biodiversity targets, that Welsh Government currently proposes, would appear complex. Understanding of the effectiveness of interventions is also far from clear.

- 20 NFU Cymru is clear that any targets must have a clear evidence base for inclusion. There must be a clear baseline and targets must be achievable, measurable and affordable with the right enabling and supportive policy mechanisms in place. We identify that deliverability of targets requires a good understanding of effective interventions and there needs to be transparency about levels of uncertainty about the factors influencing the delivery of the targets within the specified timeframe. For some species, the actions required to improve their outcomes is simply not known and further research will be required to fill these knowledge gaps.
- 21 NFU Cymru also strongly rejects the premise that outcomes for nature can be delivered through a regulatory approach. The protected site network, for example, are afforded protection in law but this legislation recognises that it is not possible to regulate these sites to favourable condition. Positive outcomes on these sites - indeed the basis upon which sites were afforded designation in the first place – and more widely is reliant on the ongoing management by farmers. It is clear that a partnership approach will be needed and actions will need to be fairly rewarded.
- 22 There is also a need to recognise that targets for biodiversity targets need to be delivered alongside other Welsh Government legislation and targets. For example, targets to deliver decarbonisation such as tree planting may not always be beneficial for species such as curlew. Cumulatively targets for tree planting and nature have the potential for long-term or irreversible change to the productive capacity of farmland at odds with the four Sustainable Land Management objectives within the Agriculture (Wales) Act.
- 23 With respect to the Global Biodiversity Framework and its twenty three 2030 targets, it is not clear how many of these targets will be delivered in practice. For example, target 7 which requires for a reduction in excess nutrients lost to the environment by at least half together with a reduction in 'overall risk' from pesticides by at least half by 2030. We ask what baseline Welsh Government expects to use, how will excess nutrients be determined and apportioned? How will 'overall risk' be defined? The targets appear to take no account of the fact that each nation is starting from a different position and it is not clear how targets can be established that are right for Wales.

In summary:

- Farmers manage over 80% of the land in Wales and recognise the role they have to play in maintaining and enhancing the quality of our environment alongside their core food production role.
- Strategies for nature must be flexible and recognise that farmers must be able to continue to manage their land for their livelihoods and for the delivery of multiple economic, social and cultural as well as environmental benefits.
- Nature is a key priority within the Agriculture (Wales) Act and the framework it provides for future support for farming (SFS). Whilst the current SFS proposals place a significant emphasis on delivery for nature within the Universal Action layer, outcomes will be reliant on a high level of adoption of practices on Welsh farms.

NFU Cymru Consultation Response

- Far greater emphasis is needed within the Scheme design to ensure that the Universal Action layer is truly universal and is practical and achievable on all Welsh farms reflecting the diversity of farming in Wales.
- It is imperative that the payment methodology for the SFS goes beyond cost incurred, income foregone calculations so that it provides sufficient economic stability to replace the Basic Payment Scheme (BPS).
- If Welsh Government has ambitions for nature and climate delivery beyond current levels, then this needs to be appropriately and sustainably resourced through the provision of a realistic, multi-annual funding commitment commensurate with the scale of this ambition.
- During this period of transition, farmer confidence in Welsh Government's commitment to environmental delivery on Welsh farms has been negatively impacted. Specifically, the Habitat Wales Scheme (HWS), which replaces Glastir for 2024 and 2025 leaves many farmers worse off. The budget allocation for the HWS, compared to Glastir, is also much reduced and this sends entirely the wrong signal to farmers.
- Farmers are going to be central to the delivery of Welsh Government's plans for nature and should be paramount in the development of any Strategy and / or Plan (s) for biodiversity.
- Any targets for nature must have a clear evidence base for inclusion and be achievable, measurable and affordable with the right enabling and supportive policy mechanisms in place.

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