

# Environment and Sustainability Committee

E&S(4)–25–13 paper 4

## Inquiry into Sustainable Land Management : Evidence from CLA Wales



### 1. INTRODUCTION

The Country Land & Business Association (CLA) represents approximately 4,000 members in Wales. Our members both live and work within rural areas; they operate a wide range of businesses including residential, agricultural, tourism and commercial ventures – at the last count the CLA represents some 250 different types of rural businesses. CLA members own or manage approximately half the rural land in Wales including edge of settlement locations and some urban portfolios.

### 2. SUSTAINABLE LAND MANAGEMENT

Sustainable land management involves the sustainable management of all land, including the agricultural and forestry sectors, whilst safeguarding ecosystem resilience. Farm and other land-based rural businesses must be economically, as well as environmentally and socially sustainable.

A vital consideration in achieving sustainable land management is to adopt a whole farm approach. Farms are integrated businesses. Land management includes agriculture, forestry, environmental service delivery, tourism, recreation, food and forest product processing and marketing, sporting shooting and property

management. There are strong interactions between these activities and there are strong and complex relationships between the environmental variables

### Ecosystem Services

Sustainable land management is best delivered through an ecosystem approach. Ecosystem services are a broader range of environmental services that land managers provide, or could provide, to society than simply the saleable products of farming, forestry and rural recreation. These services are characterised as: provisioning (food, timber, fibre, water); regulating (carbon sequestration, water purification, air, soil erosion, disease outbreaks); supporting (soil formation, nutrient cycling); and cultural services (recreation and tourism, landscape, wildlife). Together all these services of the natural environment are vital for human well-being. The Welsh countryside is managed primarily for provisioning services (food and timber).

Most Welsh ecosystem services are, and can only be, provided by farmers and foresters. Historically, the costs of managing the ecosystem services falls on farmers and foresters, yet the main benefits farmers and foresters can realise is from the marketed services such as food and timber. It is therefore hardly surprising that the non-marketed, or public good and services, are under-provided. Society wants them, but has few ways of paying for them. This is a classic example of market failure and is pervasive in rural land management.

A sustainable living standard will not be achieved by dependence on selling agricultural products alone. Land managers should not be expected to cross-subsidise the delivery of environmental public goods and services from their market returns. It is therefore necessary to ensure that proper public payment for the value of public goods and services delivered is guaranteed.

We need to find new ways to pay for all the habitats, biodiversity and other environmental benefits that society wants and which only farmers and landowners can provide. Diversification of revenue sources is key to sustainable land

management. Newer opportunities come from selling other ecosystem services, such as renewable energy from biomass, wind and hydro; water and climate protection by storing water and carbon and by purifying water, and by providing biodiversity and cultural landscapes services. The critical requirements are to develop the right frameworks for public and private payment for more of these non-market services, and to ensure that rural infrastructure and the planning system support rural economic development.

Farming businesses currently receive the majority of their funding for managing the environmental measures on the farm through Government funding agri-environment schemes. The next CAP reform, due to commence in 2015, will see this pot of money significantly lowered. It is vital that opportunities for supporting ecosystem services are explored beyond such schemes, in order to move to a source of private funding which provide rewards greater than income foregone and can be relied on in the longer term.

The Welsh Government should look to drive action at a local and landscape scale to develop mechanisms to improve the delivery of ecosystem services. It is imperative that the Government engages with landowners at the earliest opportunity.

### Core Principles

Rural land managers have been practicing sustainable development for generations. In essence, the vast majority of landowners want to hand on to their successors an asset that is at least as economically, environmentally, and socially valuable as it was when they took it on. This strikes us as going to the core of what sustainable development means in practice.

It is very difficult to envisage any land manager being successful without practicing sustainable development. The overwhelming majority of them need to derive an income from their land and are keen for their successors to continue to do so too.

As such every land manager needs to ensure that his exploitation of the land does not result in it been harmed over the long term. He/she needs to ensure, for example, that good soil and water quality is retained so successors can continue to farm sustainably.

Similarly, much of what the land provides can only be delivered over the long term. As a result, the more prudent landowners undertake activities that will not yield any results in their own lifetime, but which will provide an income for their children or grandchildren. The planting of woodlands and creation of watercourses would be common examples of this.

The CLA believes that a number of core principles underlie sustainable land management, which can help provide solutions to environmental problems. These are that society should:

- take an inter-generational time view
- in a science-based approach
- engaging the voluntary participation of those affected
- using measures proportional to the issue/ problem
- where possible, relying on a decentralised approach
- working with natural cycles
- and do all this with a presumption of private property rights and responsibilities.

### 3. CLIMATE CHANGE

The Welsh Government's Climate Change Strategy sets an annual 3% reduction in greenhouse gas emissions in Wales. To give full effect to delivering this target, the Welsh Government should establish a long-term land management policy to mitigate climate change.

The land-based contributions to mitigation are to:

- reduce Greenhouse Gas (GHG) emissions
- store carbon in soils and trees

- help energy substitution by producing land-based renewable energy
- help material substitution by enabling greater use of timber and its products to replace more GHG-emitting building materials.

Managing ecosystems at a landscape scale will be integral to encouraging effective adaptation to the effects of climate change on species populations and distribution, through the linking of habitats and features across the agricultural landscape.

### Greenhouse Gas Action Plan

The CLA and other organisations representing the agricultural industry in England have signed up to a voluntary Greenhouse Gas Action Plan (GHGAP) setting out how the industry will reduce its greenhouse gas emissions by three million tonnes of CO<sub>2</sub> equivalents from 2018–2022 without compromising domestic production.

The Action Plan focuses on how farmers, regardless of their farming system, can become more efficient to help reduce greenhouse gas emissions while making cost savings per unit of production. The Plan aims to make the most of existing initiatives such as the "Industry Roadmaps" and nutrient management ("Tried & Tested"), and will report on the progress made by farmers and land managers as they improve their use of energy, nutrients and their own carbon footprint. The Welsh Assembly may wish to consider adopting a similar initiative for Wales.

In the longer term farmers and land managers will have to do more than improve efficiency to meet the emissions targets and will have to consider how actual emissions could be reduced which would involve land use change, for example, planting trees .

The Welsh Government should consider how best to encourage efficiency savings for agriculture and what mechanisms should be put in place to properly incentivise and reward tree planting.

### Peat Management

The stock of carbon stored in peatland is a significant environmental asset, with 400 million tonnes of carbon stored in peatlands in Wales' uplands. It is essential the appropriate management techniques for maintaining peatland are introduced to allow land based businesses to help moderate climate change.

Importantly peatland restoration projects in Wales have the potential to generate carbon credits for the GHG benefits they deliver through the voluntary market. This could be a new source of funding for land managers if companies are prepared to buy credits from domestic peat carbon projects.

For this to be viable, companies would need to have complete confidence that a specific restoration project would deliver quantifiable GHG benefits. The Welsh Government needs to take steps to facilitate this approach.

#### 4. ADVICE

Advice is an essential element when implementing environmental schemes, to ensure ownership of the scheme and best placement of options. The Welsh Government should consider how to ensure advice is provided on local priorities for agri-environment. This level of support will be extremely valuable as we move into the next period of CAP.

#### 5. BIODIVERSITY

CLA fully supports the desire to improve biodiversity, but policies to achieve this must recognise the need to produce food and run other land based businesses efficiently

The Welsh Government should ensure that the right balance is secured. This can be achieved by:

- acknowledging that biodiversity cannot be so heavily reliant on Pillar 2 agri-environment payments, which are already facing drastic cuts and are the source of the most targeted funding for on farm environmental measures.
- exploring the potential for market based solutions such as biodiversity offsetting
- ensuring agri-environment schemes continue to be flexible and tailored to farm level whilst remaining accessible to all
- acknowledging that whilst protected sites, such as SSSIs (14% of SSSIs in Wales are in the uplands), have been effective at stopping further rare habitat destruction, their restrictive nature often increases the cost of management of sites, resulting in economically unviable management for farmers. Designations must work with a changing landscape, so as not to restrict the land use within them solely to management for the environment, which in itself is unsustainable.

## 6. PLANNING

The planning system must provide for a stable and flexible regime that can deliver quicker, less expensive decisions while taking a balanced approach to the concept of sustainable development by:

- promoting and encouraging a mix of development in rural areas
- providing for a sufficient infrastructure of employment sites, housing, transport, public and private services to support the long-term sustainability of rural communities
- recognising that environmental stewardship is best achieved with the willing and active commitment of landowners and land managers
- recognising the changes in land use that will occur as the implications of climate change become more apparent.

## 7. REFORM OF THE EU'S COMMON AGRICULTURAL POLICY (CAP)

The CAP is a main policy driver influencing land managers. It is vital that reform of the CAP results in a direct payment system that supports land managers in adopting sustainable land management. The CLA would go further in advocating greater support for upland farms.

We need a CAP that both provides a level playing field for farmers across the EU and which recognises all the work farmers do for biodiversity and the natural environment.

European direct payments received under the CAP are channelled in very different ways through different EU Member States; The CLA welcomes this flexibility to be able to reward environmentally sustainable land management in Wales; however the Welsh Government must ensure that payment support does not have attached conditions that go significantly beyond those of other Member States. To do so could jeopardise the competitiveness and fairness of the CAP for Welsh landowners and managers.

## 8. BIOTECHNOLOGY

Biotechnology provides a much broader application of science than GM; GM is just one of many areas comprised by biotechnology. Genetic Modification provides one of the most significant tools in delivering sustainable land management allowing increased yields, healthier livestock and environmental protection.

The livestock sector arguably has more to gain from biotechnology, where genetic-based research is preventing disease, improving overall welfare and reducing input costs. The CLA argues that this sector's existing work must be encouraged and supported by Welsh Government for it to flourish.

The UK has one of the best traditions of agricultural technology research in the world, and the Welsh Government needs to get on board and champion our excellence in the sector.

## 9. BARRIERS



The CLA believes the principal barriers to achieving sustainable land management goals are:

- an economic system that undervalues the role of the natural environment
- land managers access to relevant information and advice and knowledge transfer
- the ability to attract new sources of funding
- provision of a reliable, affordable, high speed internet connection
- the planning system
- science led approaches taken to any decision on restricting or withdrawing chemical inputs.

### Red Tape

One of the key constraints in the rural economy, both in terms of agricultural and non-agricultural businesses, is the increasing impact of Government red tape. While it is recognised that Government efforts to reduce the negative impact of red tape, it is still the case that it is one of the greatest barriers to realising the potential of the rural economy. According to the Commission for Rural Communities, the failure to fully exploit this potential costs the rural economy some £361 billion per year.

Present and future efforts that focus on securing savings through the greater use of digital are laudable. However, such efforts fail to realise that for many who live and work in rural areas still have no access to an effective and affordable broadband connection. The CLA believes that if red tape is to be reduced through this mechanism, those who are impacted the most must be able to utilise a suitable digital connection

### Regulatory burdens

The CLA remains concerned by the regulatory barriers introduced concerning the use of plant protection products, as a result of limited scientific evidence. Ensuring that a sustainable long term approach is taken to managing chemical inputs, such

as pesticides and herbicides as part of land management in Wales is important. Achieving the right balance of biodiversity in respect to areas of fauna, foliage and grassland requires proactive decision making from land managers. Land managers must be able to have as many tools at their disposal to prevent unwanted encroachment of scrub or invasive species such as bracken. Controlling these requires a thorough long term management approach from landowners and the Welsh Government.