

**Common Agriculture Policy Task and Finish Group
CAP 17 - Wales Young Farmers Clubs**



MUDIAD FFERMWYR IFANC CYMRU / WALES YFC

Introduction

Wales YFC would like to thank the National Assembly for Wales Environment and sustainability Committee Task and Finish group 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

Wales YFC

The Wales Federation of Young Farmers Clubs consists of approximately 6000 young people aged between 10 -26 in 160 clubs pan Wales, representing a membership of forward thinking Young People who have a willingness to embrace change to ensure a viable future for agriculture and rural Wales.

PROPOSED REFORMS TO THE COMMON AGRICULTURE POLICY

YOUNG FARMERS

Wales YFC has welcomed the call for more policy measures for young farmers from the Common Agricultural Policy reform post 2013. The organisation supports the idea of national reserves being geared towards young farmers and a future fund as well as investment in education and training to help deliver the aims of a competitive but resource-sensitive industry of the future. It is well acknowledged that a better profitability and greater stability will bring new entrants into the industry. Recent statistics provided by Lantra research identifies that Welsh businesses must recruit almost 26,000 new land-based and environmental entrants at all qualification levels over the next decade just to maintain current workforce levels, all of whom will want to see a strong industry. The statistic for the average age of farmers in Europe under the age of 35 is 6% but in the UK is 2.8%.

YFC and Lantra's research project demonstrated that 83% of YFC members surveyed were considering a career in farming in the future and that 57% of those surveyed aspired to be farm owners at some point in the next 15 years of their career. Young farmers are keen for education and training opportunities,

farm advisory services and exchange of best practice in order to modernise agriculture and encourage innovation. Concerns and issues that surrounded young farmers as they entered into farming included barriers such as financial and business constraints.

Wales YFC feels strongly that young farmers play a significant part in sustainable farming and that with an ever-increasing emphasis on improving the environment and increasing agricultural production, there should be measures to encourage future farmers and land managers into the industry. This will contribute both to increased production and environmentally-sensitive food production.

The organisation believes that there should be a huge importance on the Local Authority farm structure as a crucial entry point for newcomers, which will in the long run encourage and help newcomers to the agricultural industry to ensure its long-term health and viability; encourage those within the industry to plan ahead and explore new opportunities and options. There is support for young farmers once they are in the industry in the proposed reforms; however, Wales YFC believes that agriculture should be promoted as a career and young entrants should be supported, encouraged and provided with the skills that's necessary to enter the industry. We think that future business structure needs to be looked at, e.g Share Farming, ensuring that starter farms / Local Authority farms are viable and modern units for young entrants.

To date, YFC members have contributed suggestions and opinions to both the European Council for Young Farmers (CEJA) and Welsh Government Stakeholder groups. YFC representatives have supported CEJA's call for a combination of policy measures which include:

- Top-up payments in Pillar 1 during the first years of installation
- National reserves of entitlements - priority for young farmers
- Stronger investment in education and training

ISSUES RELATING TO THE 'YOUNG FARMERS PAYMENT'

There is a plea for the new entrants' EU policy to be mandatory. Wales YFC believes that the 'up to 2% annual national ceiling' in support for young farmers should be mandatory and not optional - the 2% should be a minimum.

- Will the young farmer have to farm a certain amount of land apart from the Minimum Requirements for receiving Direct Payments before getting a top up?
- Wales YFC would expect Welsh Government to negotiate with the UK that the minimum requirement for receiving direct payments is €200 or 5Ha.
- How much of a share in the business will the Young Farmer have to have?
- Members expressed their concern for the position of new entrants who start up their business before 2014/15. The question was raised if they would be at an increased disadvantage as they could be out-competed by

current farmers during that time period as well as new entrants with increased subsidies. As this could be the case, would they also be allowed access to funds?

AREA BASED PAYMENT

The proposed payment system was queried giving the following possible scenarios which could act as a barrier:

- The SFP is claimed by the land owner whilst the new entrant is using the land for grazing initially to build up his herd or business.
- Alternatively, if the landowner allowed the new entrant to have the entitlement in order to claim the top up payment, how would this affect rent value?

Wales YFC would like to see a payment system which will cause least disruption to the current farming community as many of our members are involved in these businesses, but we also agree with the E.U policy of creating a complete area based system by 2019. Generally the traditional idea of having an area based system on the following is supported by members; A simple payment model where there will be a moorland and commons payment and a payment for everyone else. If a complete flat rate system is included across the whole of Wales every Ha will receive 235 euro. If it is split between the moorland and everyone else, with a smaller rate for the moorland, this will then allow for a bigger payment to be received by the more productive farms, therefore reducing the losses of these farms post 2014.

However, members of Wales YFC would like to see additional modeling work being carried out on the impact of how different rates of payment would impact the on the agricultural industry.

SPECIAL NOTE: During very recent conversations with members, it came apparent that there is support for the following method of payment, whether it is considered for this reform or the next reform post 2019.

The suggestion is that a calculation is put in place to work out the "size" of the business (rather than the amount of land or the number of animals, which has been the basis of payments in the past).

You could use the tables the WG have produced for FC and YESS to work out the size of the business in man hours and then distribute payments accordingly (with whatever clauses deemed necessary).

By going down this route we can see that there may be a few positives, but the most important one for us is that you more or less nullify the active farmer debate - a farmer who just rents out his land will accrue far less hours than somebody who "farms" (keeps sheep or cows etc on it) the land, so will receive far less payment.

So, for someone to get the most out of that land they will have to have it in full production. So either rent it out completely (and not claim on it) or sell the land.

There may be an argument here that this is "paying for production", which is against WTO rules, however we would argue that by essentially converting the production of the business in to man hours you are creating a measurable index

whereby you can more fairly compare businesses throughout Wales the UK and even the EU. Although increasing production does increase payments, you show here that it also increases the number of man hours required, which may lead to more employment in rural economies, so more money in rural economies etc.

ACTIVE FARMER

Wales YFC feels that the current definition of 'Active Farmer' is unworkable and complicated. One of the major problems young entrants face is the ability to take on land at reasonable rents on a long term basis. Currently we feel that many farmers are claiming subsidy and then renting out their ground on a 11 month let. We believe this reduces the amount of ground becoming available on longer term lets and increases the age of farmers in Wales dramatically, due to the farmers usually being towards the end of their careers. It also puts young entrants a big disadvantage as this ground is competed for by several farms who just need summer or winter keep, young entrants cannot afford these rents.

If the single farm payment was claimed similarly to the current Tir Mynydd payments the active farmer would receive the subsidy and then this would allow them if they are a young entrant to compete for rented ground on a level playing field. The ground would then be more likely to be rented on a longer term basis which would give the young entrant some stability.

GREENING

Members have raised concern of the following areas:

- That the Greening element under the Basic Payment Scheme should not be compulsory, rather a voluntary measure. It is a very inflexible and strict element that restricts farmers and adds complexity to the '**Basic** Payment Scheme'. The 'Greening' element impairs on productivity.
- If 'greening' does go ahead as a compulsory element, framers who are in an Environment Scheme should be exempt. If they are not in an Environmental Scheme, there should also be a menu of options for measurers farmers can select from.
- Ecological focus Area- members felt that devoting a minimum of 7% of eligible hectares is extremely high! For every 100 hectares, farmers will have 7 hectares of unusable land, which will lead to massive losses of productive ground.

The world's population is set to top a staggering 7 billion people this year, with one in five of these people presently over 60. By 2050 one in three of the world's population will be over 60 and to make matters worse the world's population will continue to rise with the UN's medium population forecast predicting a global population of around 9 billion people. Whilst there are fragile habitats requiring protection surely we also have a huge social responsibility to ensure a secure and safe food supply system for future generations both in Wales and beyond? Surely it is therefore important that growers with productive farmland are given the tools and support to confidently produce food for an ever increasing ageing world population, not just focus purely on environmental protection.

CONCLUSION

In conclusion, Wales YFC is giving a warm welcome to the emphasis on young farmers within the proposals; it is excellent to see that the importance of the next generation of young farmers has finally been recognised. However, as there has been a strong emphasis on simplification throughout previous consultations and discussions, there is some frustration amongst our members on the appearance that the Commission appears to be bringing more complexity on the administration of the CAP. This presents additional burdens for the Welsh farmers.

Having maintained support for good environmental practice and competitive food production, the emphasis of current proposals is to encourage future agri-entrepreneurs and those considering entering the industry. A strong CAP supports jobs in the wider rural and urban communities of Wales, maintaining social cohesion, preserving indigenous cultures, traditions and language. Any significant movement away from direct support to food producers would result in detrimental and irreversible social, demographic and political upheaval. It is vital that young people have viable long term employment opportunities if communities and their cultures and language are to continue to thrive in rural Wales.