

Environment and Sustainability Committee

E&S(4)-15-12 paper 6

Inquiry into Glastir – Evidence from the Soil Association



April 2012

Introduction

This response is made on behalf of the Soil Association and produced by its policy department. The Soil Association is the main organisation for organic food and farming in the UK, and is a membership charity with over 27,000 members including approximately 4000 farmer members. The Soil Association also owns an accredited organic certification company. The area of organically managed land in Wales stood at 124,681 ha at the end of 2010. Most is fully organic with only 5,099 ha in conversion. This represents just over 8% of the agricultural land area¹ (the highest percentage in the UK). The Soil Association certifies around 30,800 ha of this land. This response focuses on the impact of the Glastir scheme on organic farmers.

Nb. Given the short amount of time for this consultation we have not been able to fully consult our members on these questions as we would have wished to do. Therefore the views given are based on a small number of our producer members, the Welsh Organic Group including Organic Centre Wales and other key stakeholders.

Overview

We welcome the fact that there is now a specific organic maintenance fund within Glastir. We also support the fact that in the interim, existing Organic Farming Scheme participants in Wales have been invited to extend their existing participation until 2013, and that application windows for the Organic Conversion Scheme were set. We back the provision of surgeries which were set up to assist farmers with the Glastir process, though do not have data on how useful this service was to organic farmers or how widely it was used.

There is still much uncertainty about the future of support for Welsh organic farmers post 2014. This uncertainty is having a negative impact on producers in Wales. A recent (as yet unpublished) report of survey results from Organic Centre Wales (OCW) shows that in the previous two Welsh producer surveys, the percentage of producers indicating they intend to cease organic farming in the next five years increased from 18% in 2009, to 36% in 2010, and this has risen to 42% in 2011². The main concerns were identified as lower agri-environment payments for organic farming through the Glastir scheme and uncertainty of CAP reform in general. The Graig Producers group Glastir survey (conducted in October 2010) also asked for producers to indicate their future organic

¹ Soil Association Organic Market report 2011

² Organic Centre Wales, 2011 producer survey (not yet published)

farming intentions and 29% stated they intended to withdraw from organic production with another 33% uncertain.

Views of the scheme

Partly as a result of the various iterations of the scheme, there is a view amongst farmers that the Glastir scheme is complicated and difficult to access, this view is compounded by the fact that the guidance documents are long and seemingly difficult to understand. This view has prevented large number of farmers from entering the scheme.

Specific issues

- There is a lot of confusion amongst farmers because the Tir Gofal scheme included a capital works scheme which was appreciated because the money to fund the project could be claimed when the project was completed. The meant a strong element of stability for the farmer. Under the Glastir proposal, such payments are spread over five years in a points remuneration scheme. Farmers feel that this has not been explained adequately. Despite the fact that a higher payment is received if this is calculated over the five years, farmers have suggested that a preferable alternative is for the scheme to revert to a capital works programme, rather than having to wait until at least year three or four of the scheme to be remunerated.

Suggested methods of improving the scheme

- It is recommend that that the Welsh Government re-visit the Rees Roberts report and adopt as many of the proposed recommendations as possible.

In particular there was a suggestion to support a high sugar grass / red clover option. This was included because it was calculated that using such varieties is 25 % more efficient when producing 1 kg of meat and therefore reduces emissions significantly. We strongly urge that this proposal from the Rees Roberts report is taken forward.

It was also recommended that road and farm boundary hedges are allowed as part of the scheme. This is an area which farmers take pride in and would welcome an opportunity to improve their hedges and fences via the Glastir scheme.

- There is a lack of flexibility in the scheme. One example of this is the inability to add additional land into the Glastir scheme once a farmer has entered into a contract. This aspect needs to be improved to allow farmers the flexibility of renting or purchasing extra land. It has been suggested that there could be a five year break clause, but in theory it appears that once the targeted scheme is introduced in two years, farmers could be locked into a seven year contract, which could have significant implications on a farm business.
- ACRES offer letters have been received by a relatively large number of farmers but it appears that there is a heavy burden of bureaucracy and cost on farmers during the grant application process. For example employing a consultant to produce a nutrient management plan costs around £500.00 per day. A consultant must also be employed to give a soil sampling appraisal for the farm and a very expensive specification of the BSI standard for slurry pits is making some projects unviable, even with the aid of the grant.

- There is a view amongst farmers that there hasn't been enough openness about the development of the Targeted Element. It is our view that denying Tir Gofal farmers access to the Targeted Element is a mistake because these farmers would have acted as beacons of good practice within their communities to promote elements of the scheme that can help them make up income lost income. This loss of income is especially acute in LFA areas a result of losing Tir Mynydd. Tir Gofal farmers have been more proactive in agri-environment schemes and could have encouraged their neighbours to enter Glastir.
- There needs to be increased flexibility within the points system to allow for different size fields from year to year within arable options. One suggestion is to allow for a 10% increase within each individual option for a farmer to add area if the field is the wrong size.
- We also suggest that there should be an increase in the unsprayed option payment to assist organic farmers in off-setting their decreased yield as a result of weed contamination.
- It would make it easier for farmers to plan for the future if both targeted and all Wales elements begin on the same date.

Payment Rates

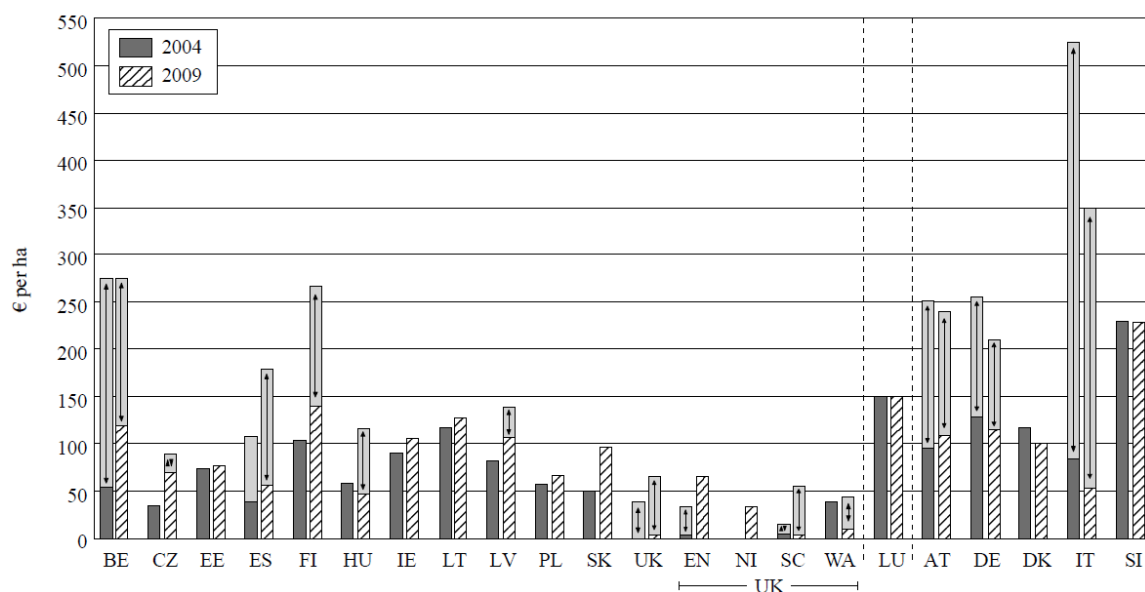
Our major request for organic farmers is that the organic maintenance payment that has already been promised be provided and for the level of this payment to be at least in line with that paid in England, Scotland, and indeed the rest of the EU 27.

One of our major concerns regarding the scheme as it stands is that the payment rates being received by Welsh Farmers (along with those in England, Scotland and Northern Ireland) are the lowest in the EU³ (see graphs below). New research, commissioned and published (in press) commissioned by DG Agri (European Commission) confirms this (Sanders 2012)⁴.

³ Gerald Schwarz, Hiltrud Nieberg und Jörn Sanders (2010), Organic Farming Support Payments in the EU, Landbauforschung vTI Agriculture and, Forestry Research, Germany

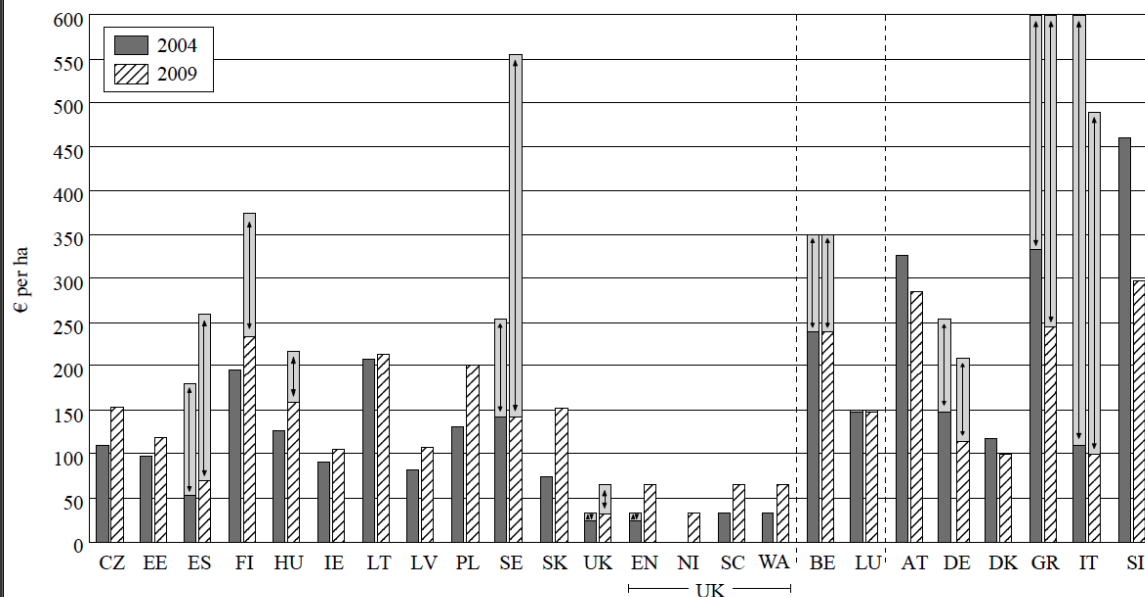
⁴ Use and efficiency of public support measures addressing organic farming' commissioned and published by DG Agri (European Commission). Research by the Johann Heinrich von Thünen (vTI) Federal Research Institute for Rural Areas, Forestry and Fisheries, Germany, Forschungsinstitut für biologischen Landbau (FiBL), Switzerland, and Organic Research Centre (ORC) United Kingdom

Figure: 2-4: Comparison of maintenance payment rates for grassland between 2004 and 2009



AT = Austria, BE = Belgium, BG = Bulgaria, CZ = Czech Republic, DE = Germany, DK = Denmark, EE = Estonia, ES = Spain, FI = Finland, HU = Hungary, IE = Ireland, IT = Italy, LT = Lithuania, LU = Luxembourg, LV = Latvia, PL = Poland, PT = Portugal, SI = Slovenia, SK = Slovakia, UK = United Kingdom, UK-EN = England, UK-NI = Northern Ireland, UK-SC = Scotland, UK-WA = Wales

Figure: 2-3: Comparison of maintenance payment rates for arable land between 2004 and 2009



AT = Austria, BE = Belgium, BG = Bulgaria, CZ = Czech Republic, DE = Germany, DK = Denmark, EE = Estonia, ES = Spain, FI = Finland, GR = Greece, HU = Hungary, IE = Ireland, IT = Italy, LT = Lithuania, LU = Luxembourg, LV = Latvia, PL = Poland, PT = Portugal, SE = Sweden, SI = Slovenia, SK = Slovakia, UK = United Kingdom, UK-EN = England, UK-NI = Northern Ireland, UK-SC = Scotland, UK-WA = Wales

Payments rates through the Organic Farming Conversion Scheme appear to be too low to attract significant numbers of farmers into organic conversion (as evidenced by the low uptake of the OFCS scheme since its inception in 2009), and to retain farmers in organic certification at the end of their current 5 year agreements. In a recent survey conducted by OCW⁵, 42% of farmers said they were considering reversion to conventional farming at the end of their agreement if payments remained at their present level. Through a separate measure for organic farming (within the current round of CAP reform), payments can, and should, be enhanced

Lack of support for organic farming

The Welsh Government should welcome the organic market as an important growth area for the Welsh economy, recognise the vital role played by organic farmers and food businesses in creating this growth, and support organic businesses with the same enthusiasm as with other small but rapidly growing areas of the economy.

Strong governmental support for organic farming, and the subsequent benefits it can bring to the environment and economy has been extremely noticeable in a number of European countries.

The global production of organic food is set to grow substantially, with the organic market frequently cited as one of the most significant growth markets in the food industry. This potential is demonstrated in Austria, Denmark, France, Germany and Switzerland where sales of organic food continued to grow in 2009, despite the recession. In the UK, sales fell, although they are now recovering. A range of factors may explain the recent decline of the UK organic market compared to our European neighbours, but the passive role of successive UK governments in supporting organic food and farming is one of the reasons commonly given. In contrast, most European countries have acted confidently to normalise and champion organic food and farming⁶. Despite the support of the Welsh government, particularly in the past, the current low level of payments to organic farmers is putting Welsh farmers at a disadvantage in comparison to their European neighbours.

Benefits of organic farming

We are pleased to have the support of Alun Davies AM through the transition of the Glastir scheme, particularly in his public statement:

"I am committed to ensuring a sustainable organic sector in Wales". This statement demonstrates the Welsh Government's commitment to organic farming and food. It should give confidence to farmers in Wales that their decision to become organic is in line with, and will be supported by, future farming policy. It is another boost to the organic industry – which has much to be positive about.

As outlined in the statement above, organic farming supports all of the environmental and social outputs the Welsh Government requires from the food and system: but that the market does not pay for, such as biodiversity, landscape, access, carbon, water and emissions management). Therefore organic farmers should be adequately remunerated for providing these benefits.

⁵ Moakes, S; Fowler, S (2011) 'Welsh Organic Producer Survey 2011' *Institute of Biological, Environmental and rural Sciences*

⁶ Soil Association (2010) 'Lazy Man of Europe', Soil Association

Organic farming has proven environmental benefits which are widely accepted, for example by the European Court of Auditors⁷, and the Welsh Government who have invested in organic support schemes since 1999.

Organic farming benefits the Welsh economy, for example, (in England and Wales organic farming generally creates over 70% more jobs than non-organic farming⁸).

We believe that the Welsh Government should support agricultural practices that use natural resources in a rational way:

- water: no depletion or pollution of ground water, no use of river water that leaves rivers running low, and no pollution of rivers
- soil: conservation and improvement, not degradation
- wildlife on farms: conservation and enhancement, not decline
- landscape: conservation and positive changes to increase diversity, not destruction of valued landscape features like hedges
- climate: encourage farming practices that store carbon in soils and that rely on renewable fertility and energy, not fossil-fuel based fertility
- no use of any persistent, bio-accumulative, hormone disrupting pesticides
- highest standards of farm animal welfare.

We believe that organic farming can play a key role in delivering the numerous public goods which Welsh citizens expect as part of the farm business. As a system, organic farming can deliver all (or almost all) of the above objectives much more efficiently than an approach which relies on a myriad of policy interventions which attempt achieve each one separately.

The compliance costs of organic systems (inspection and certification) are already effectively met by organic farmers and growers themselves – not taxpayers. Therefore we urge the government to support new and existing Welsh organic farmers by ensuring equality across EU nations in terms of support payment levels.

CAP reform

We understand that the as yet unknown outcomes of the current round of CAP reform negotiations may have impacts on the Glastir scheme post 2014. Despite this, we urge the Welsh Government to formulate the architecture of the scheme which will support organic farmers post 2014 as soon as possible to enable Welsh organic farmers to plan for the future, secure in the knowledge that they will receive adequate payments for the services they provide which are in line with the rest of the EU member states.

⁷ European court of Auditors (2011): 'Is agri-environment support well designed and managed?' Special report No. 7

⁸ England and Wales under organic agriculture: how much food could be produced?, University of Reading, 2009