

Y Pwyllgor Newid Hinsawdd, Amgylchedd a Materion Gwledig | Climate Change,  
Environment and Rural Affairs Committee

Ymchwiliad Bioamrywiaeth | Biodiversity Inquiry

Ymateb gan : Undeb Cenedlaethol yr Amaethwyr (NFU Cymru)

Evidence from : National Farmers' Union Cymru (NFU Cymru)

1. NFU Cymru welcomes the opportunity to respond to the Climate Change, Environment & Rural Affairs Committee Inquiry into Biodiversity.
2. We note this inquiry is intended to explore biodiversity restoration in the context of the proposed Public Goods Scheme and asks:
  - a. How could the Welsh Government's proposed Public Goods Scheme, set out in Brexit and Our Land be applied to restore biodiversity;
  - b. How could the various existing Welsh Government policies and legislation for biodiversity restoration be applied in the design and implementation of the proposed Public Goods Scheme; and
  - c. What lessons can be learned from the Glastir Monitoring and Evaluation Programme (GMEP) to ensure effective monitoring and evaluation of schemes to support restoration of biodiversity. How should the new Environment and Rural Affairs Monitoring and Modelling Programme (ERAMMP) be designed and implemented effectively for this purpose?
3. Firstly, we note in the background narrative provided to the Inquiry, the Committee refers to Natural Resources Wales (NRW) State of Natural Resources Report (SoNaRR) as well as the State of Nature Report produced by environmental NGOs. We would take this opportunity to refer you to the body of evidence presented in GMEP [here](#) which refers to a number of positive trends emerging from this Programme which is one of the most comprehensive monitoring of agri-environment schemes anywhere in Europe. These include:
  - Stable overall plant species richness in woodland habitat but evidence of a decline in arable, improved and habitat land up until 2007 when it appears to have stabilised
  - Recent stability for upland farmland birds and an increase in woodland bird species
  - No further decline over the last 10 years in specialist butterfly species
  - General ongoing improvement in the condition of small streams since 1990 based on macro-invertebrate communities with 80% of streams surveyed through GMEP in good or high ecological condition
  - A significant trend for increasing area of woodland over the last 15 years.
  - An increase in woodland bird indicators
  - Land use, land use change and forestry in Wales has changed from a small GHG source to a sink between 1990 and 2013 as a result of increased carbon storage in vegetation and soils
  - Reductions in nitrogen fertilizer consumption across Wales by approximate 45% between 1990 and 2013
  - A significant decline in available phosphorus for improved land providing benefits for freshwaters
  - The 30 year record of topsoil carbon indicates no decline and there is ongoing recovery of soil acidity – both are positive outcomes.
4. Overall the GMEP Programme findings show an overall picture of stability and some improvement.

5. With respect to how the proposed Public Goods Scheme as proposed in Brexit and Our Land could be applied to restore biodiversity we would make the following points. You are also referred to the NFU Cymru response to the Brexit and Our Land consultation [available here](#).
6. NFU Cymru key principles for future policy include:
  - a. A policy that underpins and secures the continued support of safe, quality, traceable, affordable food for our nation, in the context of future global challenges, must be at the heart of any future agricultural policy
  - b. All farmers must be fairly rewarded for the environmental/public goods they already deliver and will continue to deliver in future for society
  - c. Policies must be simple to administer, easy to understand and target support at those active farmers who take the financial risks associated with food production
  - d. Investment measures are required to ensure that farming businesses are well equipped to face the challenges and maximise the opportunities of a post-Brexit marketplace
  - e. The regulatory regime must be proportionate and evidence-based and policies must be adequately funded to ensure that Welsh farming remains competitive with farmers in the UK, EU and globally
7. In terms of a new agricultural policy for Wales, NFU Cymru proposes a single, integrated, flexible framework based around three cornerstones – productivity, environment and volatility/stability.
8. Farmers manage over 80% of the land area of Wales. Over many centuries farming has shaped the countryside we all now enjoy. Over the past 30-40 years, farmers have carried out a huge amount of work to encourage wildlife, enhance the landscape, benefit soils and water and reduce climate impacts.
9. Every farmer in Wales already contributes and has the potential to further contribute to practical environmental farm management that includes the protection and enhancement of existing features on their farm as well as the maintenance of actively farmed land to support biodiversity, carbon, soils, water and air quality alongside their core food production role.
10. In terms of environment measures, NFU Cymru proposes a farmed environment scheme that is open and accessible to every farmer that wishes to undertake activities that go beyond the regulatory baseline. This scheme should be multi-annual and the ambition should be to have the maximum amount of farmed land under the scheme. The scheme must be developed in genuine partnership with the farming industry and be properly trialled and piloted ahead of roll-out. Detailed assessment of impacts – economic, environmental, social and cultural – are vital prior to any changes being implemented.
11. Complimentary to the farmed environment scheme, NFU Cymru would support the introduction of an advanced scheme for farmers who wish to go above and beyond the measures in the farmed environment scheme. This scheme would be suited to those farming in designated areas or farmers with designated sites on their farm, those with significant natural constraints and those who have been in agri-environment schemes or farming organically for a significant number of years.
12. Future environment support should include a mix of management and capital payments.
13. Given the proportion of land in Wales that is tenanted, special consideration will need to be given as to how tenant farmers can access support in the future.
14. In framing payment for the delivery of public goods related to resilient habitats and ecosystems, NFU Cymru would highlight the need to consider and understand the concept ‘natural environment’. No area of Wales is truly natural in the sense that it has been unaltered by human activity. The vast majority of what is described as the natural

environment is in fact semi-natural vegetation and semi-improved grassland which is reliant on active and continuing land management by farmers.

15. The natural environment should not be presented within the future Public Goods scheme as something that requires 'protection' from agricultural activity. Rather it should be viewed as being conserved by the farming community who have created, shaped and maintained the environment over centuries.
16. There is a need to recognise and value the maintenance of habitats within the Public Goods scheme alongside habitat creation, restoration and enhancement.
17. Significant areas of habitat already exist of Welsh farms. These habitats and their connectivity through provision of well managed hedgerows and streamside corridors and so on must be valued through the future approach. The aim should be to maintain diversity of habitats. This will include improved grasslands and diverse cropping which are all highly important feeding areas for many bird species.
18. NFU Cymru strongly rejects the proposal that future support should only encompass the provision of additional public goods from the land. Farmers alongside their role as food producers have and continue to produce a vast range of goods and services for society. It is important to recognise that many of our most valued species and habitats are the result of active management by farmers, for example, through grazing of livestock.
19. NFU Cymru believes the starting point for the development of any proposed public goods scheme should begin with an assessment of the public goods farmers are already delivering. We would highlight, in the context of possible radical changes to the trading and policy support environment, there can be no guarantee that these baseline public goods will continue to be delivered in the future.
20. More information is urgently needed on the methodology by which public goods, values and outcomes will be determined for public goods. We have concerns that the sheer complexity in identifying outcomes, their proxies and values may limit the inclusion of very important public goods. The basis on which public goods are included in the future public goods scheme may be subject to lobbying pressure and not considered on an objective basis.
21. We foresee that the process by which outcomes for biodiversity and ecosystems will be valued and monitored to be highly complex and difficult. The outcomes for biodiversity and the capacity of farmers to deliver results is likely to be influenced by a range of factors, many of which will be completely outside their control.
22. For example, consideration will be needed of pressures and drivers of biodiversity change at the appropriate spatial scale. Many species on the red list, for example, will be migratory species and subject to pressures outside Wales. A further example of factors beyond the farmers control would be predation which is a significant issue that is contributing to the decline of some species. There will be a need to recognise that effective species management varies from strict protection through to deployment of active control measures where species populations start to increase to unsustainable levels, impacting negatively on their habitat and other species.
23. The timing of inspection for outcomes that are seasonal or weather sensitive is an additional area where farmers could be placed under stress.
24. NFU Cymru believes that the pros and cons of an outcome based approach, therefore, merits further detailed consideration. Whilst the inflexible, prescriptive nature of the Glastir Scheme has proved challenging for farmers, results based approaches have their own advantages and disadvantages. Thus far, such approaches have been for singular priority environmental outcomes as opposed to the delivery of multiple public goods. Results based approaches have, to date, also operated alongside Pillar 1 direct support. Welsh Government, through

proposals, is in very much uncharted territory as a result and great care is needed to ensure that impacts and unintended consequences are fully understood.

25. It is important to recognise that results-based approaches increase the risk for farmers and embed an inherent volatility in the key mechanism aimed at delivering rural resilience.
26. The provision of some public goods is reliant on farming activity and the intrinsic links between public goods and farming activity is an area which requires further exploration. Fundamentally we believe a fundamental principle for moving forward should be the development of a public goods scheme that pays for the public goods and benefits arising from agricultural activity.
27. Whilst the proposed Economic Resilience Scheme has not been made the subject of this Inquiry specifically, we take this opportunity to highlight that investments that improve productivity of farm holdings can often deliver improvements in the environmental performance of the business also.
28. In terms of the existing Welsh Government policies and legislation that should underpin the development of the proposed Public Goods Scheme, we would refer you the Well-Being of Future Generation Act (2015) as well as the Environment (Wales) Act (2016).
29. The Well-Being of Future Generations Act establishes how all public bodies must work to enhance economic, environmental, social and cultural well-being of Wales. The proposed land management scheme must be designed through this lens. Indeed, it our view that it is only through achieving economic resilience that the continued delivery of the range of goods and services provided by farmers will continue to flow. The lack of coherence between proposals in Brexit and Our Land and a wider suite of policy drivers fundamental importance to well-being and the economy of Wales is, therefore, concerning.
30. We are clear that economic resilience underpins environment, social and cultural resilience. The delivery of biodiversity outcomes will be one of many objectives that the future policy will need to secure. We would further highlight that whilst this Inquiry seeks to examine biodiversity and there will be international commitments for Welsh Government in this area, it is also important to note that there will be a range of international and national obligations Wales has to meet and future policy should not be used for the advancement of any one of these obligations over another.
31. The requirement for future agricultural policy to deliver against the Natural Resources Policy is, therefore, concerning and out of line with the wider legislative agenda.
32. The Environment (Wales) Act (2016) establishes the principles of the sustainable management of natural resources and sets out ways of working. We would highlight that the framework established under this Act is still new and not widely understood. The process of developing area statements for example, is at its early stages. There are risks that area statements could result in a post code lottery of support for farm businesses across Wales – areas where public goods delivery is prioritised and areas where food production is prioritised. In our view a scheme that has as its sole objective delivering the Natural Resources Policy cannot be assumed to deliver equal access to all farm businesses.
33. We would be concerned if future public goods approach specified areas, set boundaries, placed restrictions on what public goods can be delivered where. We would highlight that the spatial mapping process underpinning Glastir Advanced has been a significant source of frustration to many farmers who have been denied opportunities to participate in the scheme. Ultimately, the delivery of outcomes for the environment is dependent on farmers wanting to participate in schemes.
34. In terms of lessons that can be learned from GMEP, NFU Cymru would highlight that we have long expressed disappointment that the positive outcomes resulting from the investment of public funds in existing agri-environment schemes like Glastir (highlighted above) have been very poorly communicated or promoted to the public.

35. In reality, farmers who have participated in schemes which have been designed by experts, which are challenging to comply with and which contribute a very limited amount to farm profitability as payments are based on a cost-incurred basis, frequently express frustration that they continue to be criticised for their environmental performance despite doing exactly what they have been told to do. This is an important point as it undermines confidence in participation in future schemes.
36. On the issue of moving beyond 'cost incurred, income forgone' calculations, we would highlight that Welsh Government have stated as fact that the future scheme will not be paid on a cost incurred, income forgone basis. Whilst this would be welcome, at this stage NFU Cymru does not share the same confidence that this will be achievable and 100% certainty is required before progressing.
37. We would highlight that the stakeholder group established to guide the operation of the GMEP programme has not been continued in the ERRAMP programme and we believe that this is a significant omission. A clearer communications plan by which findings can be communicated is also required.
38. Overall we would highlight that farmers in Wales have a long track record of delivering practical environmental action and management at farm level to deliver positive outcomes for biodiversity. Before moving forward, Welsh Government must seek to address the issues and uncertainties set out in this response.
39. NFU Cymru believes that biodiversity obligations have to be balanced with a range of other economic, broader environmental, social and cultural objectives. We are clear that the focus of the future public goods scheme should be on optimising multiple benefits through sustainable agricultural systems.
40. We note the invitation to submit oral evidence to the Committee on Thursday 7<sup>th</sup> February 2019. NFU Cymru looks forward to giving evidence at this event.