

Welsh Government Agriculture (Wales) Bill White Paper Consultation

Purpose

- 1 To inform Members of the Welsh Government (WG) Agriculture (Wales) Bill White Paper consultation and to note the key aspects of the WLGA's response as approved by the Rural Forum at its meeting on Thursday the 18th of March.

Background

- 2 On leaving the EU the UK no longer operates under the Common Agriculture Policy (CAP). The CAP has provided the overall legislative framework for supporting farmers and rural development in the UK over the last 40 years. The financial support it has provided, in the form of both direct payments to farmers under Pillar 1, and support for Rural Development under Pillar 2, has provided a safety net for rural communities across Wales.
- 3 Due to the scale and reliance on subsidies from the CAP, the impact of leaving the EU disproportionately affects rural communities as they face losing the vital safety net that sustained their way of life and, crucially, recognised the vital role of agriculture in producing food and contributing to local economies. The support available for rural development has also played a vital role in sustaining rural communities and in enabling the piloting of innovative approaches of benefit to the rural economy.
- 4 As with the EU Structural Funds, delivery of both the direct payments to farmers and the rural development elements of the CAP will continue until the end of 2023.
- 5 This consultation seeks views on a new approach to supporting land management in Wales from 2024 onwards, i.e. replacement CAP Pillar 1 type activity. It follows two previous consultations, "*Brexit and Our Land*" and the "*Sustainable Farming and Our Land*" proposals. This White Paper will inform the development of a new Agriculture (Wales) Bill in the next Senedd term.
- 6 WG intends to consult on its initial thinking regarding the replacement of CAP Pillar 2 type activity, a replacement Rural Development Plan for Wales, sometime towards the summer of this year.
- 7 The current UK Government has committed to providing similar levels of funding for farmers up until the end of the current UK parliamentary term.
- 8 There is no guarantee of any funding being available to deliver both the replacement direct payments to farmers or rural development funding post 2023. Funding will have to be found from domestic resources thus competing with all other service areas for investment.

Overview of the proposals

9 WG is consulting on the legislative framework to support Welsh agriculture from 2024 onwards, and is seeking views on their proposals for:

- future support for agriculture
- regulatory reform
- future support for industry and the supply chain
- forestry and woodland management
- improving animal health and welfare
- improving monitoring through the effective use of data and remote technology.

10 It proposes:

- The establishment of a single farm support scheme – the Sustainable Farming Scheme – to replace current EU schemes – mainly awarding farmers for the environmental upkeep of their land rather than food production.
- Provide support to those parts of the wider industry and supply chain that also support the continued delivery of Sustainable Land Management.
- Reduce regulatory complexity by consolidating legislation into one set of National Minimum Standards, supported by a range of advice and guidance to encourage compliance. These standards will set the regulatory baseline above which the proposed scheme will operate.
- Improve the way agricultural regulation is enforced by introducing new measures to ensure enforcement action is proportionate to the severity and magnitude of the offence.
- Improve monitoring through the effective use of data and remote technology.
- Improve animal health and welfare.
- Improve regulation and support for forestry and woodland management.

Implications for Local Authorities

11 Whilst not necessarily direct or obvious, the implications of such a radical departure from directly supporting farmers for the production of food to maintaining the environment is likely to have a devastating effect on local economies within rural communities across Wales. Such an effect would have a knock-on effect on supply chains and the viability of farming businesses and communities across Wales. This would lead to increase demand for local authority services.

12 Compounded by the non-tariff barriers which continue to cause major problems for exports as a result of leaving the EU, such a drastic departure from current support arrangements would lead to further challenges for rural businesses and communities across Wales.

Key aspects of WLGA's response

- 13 The WLGA recognises the vitally important role the agricultural industry plays within the rural economy and in sustaining rural communities, including the role of small family farms in maintaining the Welsh language and managing the rural landscape.
- 14 The WLGA supports agricultural policies that safeguard an economically resilient industry, producing affordable food to high standards of environmental management and animal welfare.
- 15 We look forward to continuing our engagement with the Welsh Government and key partners as these proposals are further developed and refined to ensure a sustainable future for our rural communities.
- 16 We wish to see a fair and level playing field for welsh farmers and food producers, and they should not be placed at a competitive disadvantage as a result of these proposals, particularly with other farmers within the UK. Any divergence in standards amongst the UK nations could pose a direct threat to the competitiveness of welsh agriculture, particularly as food production standards will be discussed and negotiated in future trade deals.
- 17 As per our response to previous consultations on this issue, the WLGA believes that the WG's definition of 'public goods' is too narrowly focused, based purely on environmental sustainability and fails to account for the social and economic aspects of sustainable rural development. WG has proposed changes so that future agricultural support is in line with the requirements and policy direction of the Environment Act and the Wellbeing of Future Generations Act, but it fails to address how this new model of support contributes to the social, economic and cultural well-being of rural communities.
- 18 Previous iterations of consultations relating to the future of farming in Wales made reference to the valuable relationship between agriculture and the nature of family farming in Wales and the welsh language, yet this White Paper omits this relationship as an example of a 'public good.'
- 19 By comparing WG proposals to Scotland and Northern Ireland, and countries within the EU, Welsh farmers face a significant competitive disadvantage, as they will continue to receive some form of direct support. Given the reliance of the welsh agricultural sector on exports to the EU and further afield, and the current and prolonged friction in trade from added export certification and bureaucracy, the economic resilience of farm businesses is crucial for the well-being of rural communities.
- 20 Given the impact of Covid-19 on supply chains and the integrity of production standards, the WLGA struggles to accept why WG fails to recognise food security, food safety and maintaining high animal health and welfare standards as key 'public goods' that warrant recognition and support as part of the future farm support scheme.
- 21 We understand that the same on-farm interventions could have potentially different payment rates pending the location of the intervention, leading to a postcode-lottery approach to SLM funding for farmers. The WLGA would strongly oppose any scheme where farm support and rural funding was diverted from rural areas.

- 22 Direct payments to 'active farmers' should remain as the bulk financial mechanism for supporting rural areas. However, the WLGA advocates a complementary rural development programme, with socio-economic interventions aimed at stimulating the rural economy and ensuring community cohesion, creating opportunities for rural businesses to thrive. We look forward to the WG's initial consultation on a new Rural Development Plan in the Summer.
- 23 We are concerned that there has not been a specific socio-economic assessment done for the rural economy as part of the development of this White Paper. Any change to the funding regime for farm businesses will have a direct impact on wider rural businesses and communities thus needs to be factored into the development of future support schemes.
- 24 Further modelling is required on the impact of these changes on the rural economy, which needs to consider the proposed changes in other countries, such as Scotland and the EU 27, to ensure that welsh farmers are not put at a disadvantage within the marketplace.
- 25 The WLGA believes that any moves to reduce funding to farming families and rural communities has the potential to impact negatively on the Welsh language, as the rural areas of Wales are the strongholds of the Welsh language. This is evidenced in the recent Farming Connect report on 'Iaith y Pridd'¹, that evidences and explores the relationship between agriculture and the Welsh language.
- 26 Continued funding for small scale family farms and rural communities is vital to sustaining rural communities and to meeting with WG's target of a million Welsh Speakers by 2050.
- 27 We would also support building on the lessons learned from successful initiatives and funding schemes that have been designed with supporting the Welsh language and culture as vital assets within local economies, such as the ARFOR Programme, which pilots innovative approaches in promoting entrepreneurship, business growth, community resilience and the Welsh language in the four predominantly Welsh-speaking Local Authority areas across the West of Wales (Anglesey, Gwynedd, Ceredigion, Carmarthenshire).
- 28 Further, the emerging piece of work these four Local Authorities are developing with Wavehill, as part of the ARFOR Programme, exploring the links and relationship between youth out migration and a decline in the language, and resulting economic impact, should be considered as part of evidencing the need for new and innovative approaches to enable young people to stay in their communities to live and work.
- 29 Retaining young people to live and work in rural communities is a vital component of ensuring the future resilience and vibrancy of these communities and local economies. It is also vital in the efforts to meeting with WG's target of a million Welsh Speakers by

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<https://businesswales.gov.wales/farmingconnect/sites/farmingconnect/files/documents/laith%20y%20Pridd%20report.pdf>

2050. Measures for future farming support and investing in the supply chain should give serious consideration to the impacts on Welsh language.

Recommendations

30 Members are invited to:

- 30.1 comment on any aspect of the report; and**
- 30.2 note the key aspects of the WLGA's response as outlined in paragraphs 13–29 as approved by the WLGA Rural Forum on the 18th March.**

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