

Welsh Government Consultation

Brexit and our land: Securing the future of Welsh farming

Sustainable Food Trust written evidence

October 2018

Introduction

1. The Sustainable Food Trust welcomes the opportunity to submit written evidence to this consultation and would be pleased to provide further information or to elaborate on any points.
2. The Sustainable Food Trust (SFT) is a small UK based organisation, established in 2011, that works in the UK and internationally to accelerate the transition to more sustainable food systems. We focus our work in three main areas:
 - Leadership and Collaboration: Influencing leaders, policy makers and individuals
 - Research and Policy: Enabling policy change based on sound science
 - Communications: Acting as a source of information, sharing ideas and empowering citizens

Question 1: We propose a new Land Management Programme consisting of an Economic Resilience scheme and a Public Goods scheme. Do you agree these schemes are the best way to deliver against the principles? If not, what alternatives would be best?

The Sustainable Food Trust welcomes the Welsh Government's *Brexit and our land: Securing the future of Welsh farming* and their adoption of a whole-farm approach, which integrates efficient and sustainable food production with practices that maintain and enhance natural and human capital. We support their objective to design a new agriculture support system that corrects the economic distortions that currently exist within food and farming and reintegrate food systems in harmony with the natural environment. Such an approach could have multiple benefits, including climate change mitigation, improvements in biodiversity and encouraging better diets and public health outcomes.

To achieve the systemic shift towards more sustainable farming methods, we need to unlock the barriers of change since the current business model means that most farmers have no option but to employ agricultural practices that do not serve the public interest in terms of its impacts on environment and public health. Through the new Agriculture Policy framework, the Welsh Government has the opportunity to create the economic environment where farmers are financially supported for adopting sustainable practices, which can then emerge as the most profitable and economically-viable way of producing food.

To make this shift effective, the two funding strands of support ("economic resilience" and "public goods") should be integrated, meaning that farmers could only receive support for "economic resilience" if they also deliver public goods. We think there is scope within the policy proposed by the Welsh Government to expand the term "economic resilience" to recognize the capital needed for farmers to be able to deliver the maximum environmental benefit. It is essential to acknowledge the interconnected nature of farming within the ecosystem. We would therefore propose that the "economic resilience" funding strand be retitled as "economic and systemic resilience" to better reflect a harmonised vision of farming. We would also propose that an

additional funding category for “systemic resilience” be added to provide a route for farmers to access necessary infrastructure funding grants and capital investments to enhance the productive capacity.

One of the key provisions include phasing out Pillar I area-based payments. We recognise the logic associated with this proposal on the basis that current eligibility for such support requires little more than adherence to minimum environmental standards. However, one of our core concerns is that by taking this action, the ‘baby’ of area-based payments will be thrown out with the ‘bath water’ of the social security element of the existing Common Agriculture Policy scheme. Instead, we believe that many of the desired changes in farming practice would be most effectively delivered through a whole farm support package, much of which should be based on land area. Such a scheme could include a number of options - some applicable on a field scale, some on a whole farm scale, and some of a more tailored stewardship nature, which together would ensure a systemic, rather than piecemeal, adoption of more sustainable farming practices.

Question 2: Does Welsh Government need to take action to ensure tenants can access new schemes? If so, what action would be best?

We strongly support the proposal to undertake a review of tenant-farmer support eligibility. The goal has surely to be to allow as many farmers as possible, including short-term farm business tenancies to be fully eligible for support. Since a significant number of tenant farmers do not have entitlements, we would recommend that all tenant farmers become eligible for Government support. The land manager, and not the landowner, should be the recipient of the money since they are the one that works the land. However, we would add the proviso that there should be a contractual requirement within the tenancy to maintain the environmental quality of the land and manage the land in a way that delivers public good. The Welsh Government should also look into encouraging a shift towards 3year agricultural tenancies to give tenants adequate security. It would be preferable to dovetail tenancy periods with the multi-annual payment programs to encourage the harmonisation of tenancy agreements with any post-Brexit payment systems with the goal of supporting tenancy farmers.

Question 3: From your experience of current programmes, what do you feel would work well for the future?

There are elements of Glastir that would be worth continuing post-Brexit. This is particularly because Glastir recognizes and adopts a whole farm approach. More specifically within the program, there should be the continuation of capital grant for coppicing and fencing. Additionally, we recognize the success of the Sustainable Production Grants and would support them being included in the economic resilience program post-Brexit to encourage targeted support.

Question 4: Do you agree with the focus of the Economic Resilience Scheme being on growing the market opportunities for products from the land throughout the supply chain, rather than restricting support to land management businesses only?

In principle, we support the Government’s suggestion to extend support within the farming sector across the whole of the food-chain. Such an approach would encourage vertical integration, which would improve the economic viability of farm businesses in Wales. However, if there are limits to Government budget, priority should be given to land managers over food processors and we are also mindful that there should not be too rapid a shift in policy for fear of unforeseen consequences.

Question 5: Are the five proposed areas of support the right ones to improve economic resilience? Are there any areas which should be included but currently are not?

The term “economic resilience” itself might need clarification since we would be concerned that it might be open to misinterpretation. It is essential to recognise the interconnected nature of farming within the ecosystem. We would therefore propose that the “economic resilience” funding strand be retitled as “economic and systemic resilience” to better reflect a harmonised vision of farming.

We would also propose that an additional funding category for “systemic resilience” be added to provide a route for farmers to access necessary infrastructure funding grants to deliver the public goods funding. For example, there would need to be infrastructure grants for farmers who want to build slurry-covers to reduce ammonia emissions. This type of funding would fall under a “systemic resilience” funding strand since its goal was to deliver public goods.

One point that raised concern was the reference to “effective risk management” and the discussion around “the take up of financial measures to reduce commercial risk”. We would seek greater clarification on this point and what might be under consideration. If the discussion involves the implementation of public insurance for crops, there is considerable risk of moral hazard and the potential for environmental damage that could occur. Crop insurance have direct correlation with land-use changes since insurance programs creates incentives to plant on marginal and environmentally sensitive lands that would otherwise be too risky to farm and because farmers are likely to financially benefit from yield-loss or mismanagement.¹ As a result, farmers are less inclined to farm in ways that might better protect them from risk. Should the Welsh Government be considering implementing a crop insurance program, a discussion of crop insurance should consider the difference between public and private insurance and the potential unforeseen consequences associated with both approaches.

Question 6: Of the five proposed areas for support, which are the priorities, both in terms of funding, and the sequence of delivery? For example, are certain measures needed in advance of others?

If we want to build natural capital in Wales to promote a vision of the future that aligns with the principle of harmony, we need to act immediately to adopt more sustainable practices. Therefore, support for “economic resilience” has to be intrinsically linked to “public goods”. Since Wales has 17% of the UK’s permanent pasture and 29% of the UK’s sheep flock, support for sustainable grazing is essential.² Holistic grazing can help to deliver a GHG reduction coupled with carbon sequestration, improved water management, increase biodiversity and rural revitalization.³ One of the key means of enacting this shift would be to invest in the necessary infrastructure for the development of a Wales-wide holistic grazing and pasture management system. To achieve this, the government will need to support farmers to invest in tracks, water quality, manure handling and storage, which can be an expensive upfront cost.

However, if the Welsh Government wants to support livestock farmers in Wales, there needs to a consideration of the decline in local abattoirs. A recent Sustainable Food Trust report focused exclusively on this issue.⁴ Small abattoirs provide multiple public goods since there are high financial, environmental and animal welfare cost of transporting a small numbers of animals many miles to get them slaughtered, only to transport the meat back

¹ Soil Association, Policy Briefing: Lessons to learn from crop insurance programmes worldwide, August 2017, available online: <https://www.soilassociation.org/media/12992/lessons-to-learn-from-crop-insurance-programmes-worldwide.pdf>

² Survey of Agriculture, June 2017, Woodlands Wales indicators, 2016 and Forestry Commission, 2017

³ Teague, R. 2011. Grazing management impacts on vegetation, soil biota and soil chemical, physical and hydrological properties in tall grass prairie. *Agriculture, Ecosystems and Environment*. Volume 141, Issues 3–4, May 2011, Pages 310–322, available online: <http://www.sciencedirect.com/science/article/pii/S0167880911000934>

⁴ Sustainable Food Trust, A Good Life and a Good Death: Re-localising farm animal slaughter, Feb 2018, available online: <http://sustainablefoodtrust.org/wp-content/uploads/2013/04/Re-localising-farm-animal-slaughter.pdf>

again. Without urgent action there will soon be no small abattoirs left in large parts of Wales. In the UK, a third of small abattoirs have closed in the last decade and more are continuing to go out of business. This trend undermines the ability of farmers to diversify and sell meat locally and can dramatically increase costs for producer-retailers marketing their meat locally. In order to deliver “economic resilience” for livestock farmers in Wales, the Welsh Government should provide additional support to local, smallscale abattoirs.

There needs to be greater support for composting in Wales. Unfortunately, unlike in other countries, Welsh livestock farmers have not adopted a culture of composting. The Welsh Government should encourage the shift towards storing and turning animal manures in covered shed. The wider adoption of composting would reduce the spreading of slurry, which can damage air and water quality.⁵ Supporting the practice and the associated infrastructure would help improve soil health in Wales since compost acts as a starter for soil fertility, builds soil organic matter and raises carbon levels.⁶ Therefore the Welsh Government should prioritise funding for infrastructure investment for storing, turning and applying manure in a way that is environmentally sensitive.

Both composting and holistic grazing could be supported through funding for organic. We would encourage greater integration of the organic scheme into the overarching Government support system since organic is a good way to achieve positive system change and the delivery public goods. We see organic as sitting the heart of Welsh agriculture post-Brexit, rather than being considered to be a separated program. This is not least because we want to overcome the historical tendency to overcome the legacy of division between the conventional and organic. Instead, the focus should be on creating a pathway of agroecological farming that encourages all farmers to improve their practices. Support for organic could be embedded as one of the options of how an area-based payment scheme would be appropriate for delivering public money for public good. For example, a farmer would receive a specific amount for the number of hectares that were under organic certification.

One funding priority to which we would object would be government funding for anaerobic digestion. We believe that it would only be appropriate for farms that are producing food for human consumption to be eligible for either “economic resilience” or “public goods” payments. While we want to see farmers take appropriate actions to reduce their GHG emissions, we deplore the harvesting of food crops (and land that could be used to produce food) specifically and solely for anaerobic digestion. If we are to tackle food security and deliver resilience in Wales, the Welsh Government cannot allow this practice to continue. Wales should lead the way by ending the use of crops grown on agricultural land for the sole purpose of providing fuel for anaerobic digestion.

Question 7: Should we be investing in people, for example to bring in new ideas, skills and people into land management and the supply chain in Wales? If so, how should we look to do this?

There is potential to increase employment in the agriculture sector in Wales. Currently, 4.1% of people in Wales work in agriculture, in comparison to the 1.4% in the rest of the UK.⁷ This number could be increased, which would help to revitalize the rural economy and bring life back into rural communities. 37% of workers in Wales

⁵ S.C. Jarvis, R.J. Wilkins, B.F. Pain, Opportunities for reducing the environmental impact of dairy farming managements: a systems approach, *Grass and Forage Science*, Vol 51, Issue 1, March 1996, available online: <https://doi.org/10.1111/j.1365-2494.1996.tb02034.x>

⁶ Emily Millard, Denis Angers, Animal manure application and soil organic carbon stocks: a meta-analysis, Oct 2013, available online: <https://doi.org/10.1111/gcb.12438>

⁷ Survey of Agriculture, June 2017, Woodlands Wales indicators, 2016 and Forestry Commission, 2017

are employed in the public sector.⁸ Some of these people might well consider roles in the agrifood sector. To that end, increasing agricultural employment in Wales should be considered to be a public good since there is economic and social value to supporting employment resilience in rural communities.

Supporting the expansion of agroecological agriculture in Wales would help increase employment levels in rural areas. Organic and agroecological farms employ 135% more full time equivalent jobs per farm than conventional farms.⁹ The roles tend to be more diverse and less repetitive since large-scale conventional farms tend to rely on machinery and agrichemicals more heavily. This dynamic makes the jobs more interesting and rewarding and therefore more likely that workers will continue in the sector. Encouraging more employment on farms would also provide added entry points for young people looking to enter the sector.

Many people work in the agrifood sector without directly working the land. These people should still be considered in the Welsh Government's post-Brexit planning. Better support and training need to be given to contractors and businesses that supply farming services. Even a minor mistake on a farm can have significant impacts on profit, environmental damage and human safety. Contractors should be required to train their staff adequately, so that they have a good understanding farming regulation. Welsh Government should consider creating an apprenticeship scheme for contractors to ensure that the services offered to farmers comply with the environmental protections. There should also be grants available for continuing professional development for any individual working in the agrifood sector so that they have access to the most up-to-date thinking and tools. This could be done digitally.

Access to land for new entrants is a significant challenge. Agricultural land can be expensive and land-owners are often only offer short-term tenancies in hope that they will be able to sell the land to a developer for more money in a few years' time. There needs to be support to help new entrants get onto the ladder so that they can begin farming. Growing a new generation of farmers and producers is essential to guarantee the future of Welsh agriculture, particularly because there is a high risk of migrant labourers leaving after Brexit. This support could take the shape of shared plots or council land being given to new entrants at preferential rates. We applaud the FarmingConnect program that identifies and facilitates potential matches between new entrants and older farmers (owner-occupiers), who were considering taking a less active role in the day-to-day management of their farm. This scheme should be more widely supported and publicised since it would help provide new entrant with a route to both learn the necessary skills and gain access to land when the older farmer sells the farm onto the new entrant at a later date. Similarly, consideration should be given to launching a programme for on-farm apprenticeship scheme with Government support to enable farmers to take on and train new workers.

Question 8: We have set out our proposed parameters for the public goods scheme. Are they appropriate? Would you change anything? If so, what?

Public goods cannot be separated, and they cannot be ranked. Creating a ranking system does not recognize the interlinked nature of the planetary system. It is impossible to separate out the various elements of the ecosystem since improving soil health will improve water quality, reducing GHG emissions will help to improve biodiversity. Instead, we must strive to adopt a holistic systems approach.

⁸ Welsh Government, Employment in the public and private sectors by Welsh local authority and status, March 2018, available online: <https://stats.wales.gov.wales/Catalogue/Business-Economy-and-Labour-Market/People-and-Work/Employment/Persons-Employed/publicprivatesectoremployment-by-welshlocalauthority-status>

⁹ James Morison, Rachel Hine and Jules Pretty, Survey and Analysis of Labour on Organic Farms in the UK and Republic of Ireland, International Journal of Agricultural Sustainability, Vol 3.1, 2005, available online: <http://www.julespretty.com/wp-content/uploads/2013/09/6.-Organic-Jobs-IJAS-Morison-et-al-2005.pdf>

It is the Welsh Government's responsibility to support farmers to deliver public goods. Farmers causing very significant damage through intensive farming should be made financially responsible for the damage that they cause through industrial farming practices. Mindful of the negative environmental externalities, we would encourage the Welsh Government to consider the introduction of the Polluter Pays Principle. Introducing the Principle would help to tackle the damage done by industrial farming practices to waterways, air pollution, biodiversity loss, and GHG emissions, amongst others.

To monitor the impact of these schemes, the Welsh Government should require all farmers to submit an annual sustainability assessment using a framework of harmonised metrics and units of measure. The data derived from such an assessment could serve multiple functions: for government and government agencies to monitor eligibility and the impact of public purse support, for certification schemes to collect data they require, for consumers by providing more information about their food, and most importantly, for producers as a farm management tool.

To demonstrate eligibility for Welsh Government support and to enable the delivery of public goods effectively, we recommend that the Government introduce a **sustainability assessment** that farmers would have to complete **annually**. This assessment could provide the necessary data needed to determine the level of support each farmer receives as well as helping Welsh Government to understand and monitor success and failures.

The benefit of the assessment would be three-fold:

1. The reporting of farm data would allow the Government to have a better understanding of the **national situation** for each specific public good (such as biodiversity and net carbon emissions) which would allow for more targeted interventions to help to meet stated goals. For example, if the goal is reducing antibiotic usage, a common framework to measure on-farm usage would allow comparison of farm data.
2. By using a harmonised framework, farmers could **benchmark** themselves to show that they are delivering on their commitments and provide evidence of the improvement. Farmers should be encouraged to progressively increase their environmental commitments since all farms can become more sustainable, and the annual sustainability assessment would provide the necessary information and incentive to improve.
3. By implementing this annual sustainability assessment, trade organisations and certification bodies (Red Tractor, Leaf, Soil Association, et al.) could draw on the data to help with decision making, as opposed to conducting all their own assessment on each farm. This will save time and paperwork for farmers, allowing them to concentrate on growing food in a sustainable manner, and would **streamline the delivery process** for certification bodies.

Question 9: This scheme is meant to offer land managers the opportunity to access a significant new income stream as the BPS comes to an end. How could we improve what is being proposed to attract land managers whilst still achieving our vision and objectives?

If we are to meet the challenges of a changing climate, we need to encourage the wide-scale switch from large-scale industrial farming to more sustainable methods. To act at the necessary scale, it cannot just be small-scale, organic growers. It is insufficient to have pockets of good practices and conservation agriculture on the fringes of fields. We need see all farmers embrace agroecological techniques and grow food in a manner that respects

the biosphere. To achieve this shift, large-scale conventional farmers have to switch practices too. This should be done through encouragement and education in order to connect with the greatest number of farmers, there must be positive and clear communications and discussion around the environmental value. This is a critical consideration since if large-scale conventional farmers were to disengage in the process, it will be difficult to re-engage them. However, farmers will be unwilling to consider shifting their practices unless there is a clearly defined long-term strategy in place and that they can be confident that there will not be a sudden change in Government funding priorities that could leave them in a precarious financial position.

Question 10: Are there any other public goods which you think should be supported? If so, why?

There is a lack of recognition of public health within the consultation document. We would advocate including public health as a public good that the Welsh Government should support in their future farming support system. This would include consideration of healthy diets to reduce non-communicable diseases, increased access to countryside for mental health and exercise and food quality. We recommend that there is greater consideration of nutrient density in vegetables and its impact on public health. A 2004 article in the Journal of the American College of Nutrition found a significant decline in the nutrient density of fruits and vegetables.¹⁰ The researchers attributed this decline to soil depletion from intensive production. This decline has a knock-on effect on public health and has not been sufficiently considered.

In order to support public health through improved diets, the Welsh Government can use the power of public procurement to support the consumption of healthy, local food that has been grown in a sustainable way. Utilizing the power of public procurement would be one of the most rapid and powerful ways to transform the economic environment for Welsh farmers. The UK public sector serves some 3.5 million meals each weekday across settings as varied as schools, nurseries, care homes, hospitals and prisons.¹¹ In total, it spends £2.4 billion each year procuring food and catering services and its influence is significant.¹² Food in schools and public institutions sets norms for the public and consumers, signals values, and gives integrity to government priorities and policies.

Since the relative weightings given to price and quality in public sector catering tenders can have a big impact on the quality of food provision, we would suggest that public procurement decisions should place a weighting of at least 60% on food quality (with local production being a consideration) and with price not exceeding 40% weighting. Maintaining this cost-quality ratio will support caterers to maintain high-quality standards while increasing the demand for local food. The sourcing of grass-fed red meat, dairy products and vegetables should receive increased focus. In recent years, as local authorities seek to make challenging budget cuts, there has been a worrying shift towards tenders giving 60-80% weighting to price, effectively ensuring that the cheapest bid wins. Safeguarding a 60% minimum quality weighting will incentivise a 'race to the top', with benefits for consumers, farmers and food business.

However, if the Welsh Government aims to improve diets, there needs to be a focus on rebuilding the horticulture sector in Wales to supply local fruit and vegetables. There has been a significant decline in Welsh

10 D.R. Davis, M.D. Epp, H.D. Riordan, Changes in USDA food composition data for 43 garden crops, 1950 to 1999, Journal of American College of Nutrition, 23 (6) (2004), pp. 669-682

11 Foodlinks, Revaluing Public Sector Food Procurement in Europe: An Action Plan for Sustainability, available online: http://www.foodlinkscommunity.net/fileadmin/documents_organicresearch/foodlinks/publications/Foodlinks_report_low.pdf

12 Peter Bonfield, Department of Environment, Food and Rural Affairs, A Plan For Public Procurement: Enabling a healthy future for our people, farmers and food producers, 2014, available online: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/332756/food-plan-july-2014.pdf

horticulture due to agricultural specialisation (driven by CAP subsidies), supermarket dominance of the fresh produce retail market and the associated centralised supply-chains.¹³ The combination of which led to the decline of Welsh pack-houses. Today, only 1% of UK horticultural crops are grown in Wales.¹⁴ The Government needs to act to reverse this trend and help support the future of Welsh horticulture. However, mindful of the environmental impact, we would discourage the support of intensive large-scale horticulture, which can have a deleterious effect on the soil and wider ecosystem. Instead, we would like to see a return to mixed farming, with greater diversity of crops being grown in Wales. Given the rapid decline of the sector, horticulture should receive specific consideration by the Welsh Government with the goal of delivering self-sufficiency in Wales for local, seasonal fruit and vegetable.

Another public good that is not directly acknowledged is soil health. Soil carbon stewardship should be specifically identified as a key public good and farmers should receive support for improving soil carbon levels. Healthy soils are essential for food security, climate change and public health. Yet, soils have been neglected and left to deteriorate. In the UK, we lose an estimated 2.2 million tonnes of topsoil each year.¹⁵ This erosion costs around £45 million per year, of which £9 million is in lost production and reduced yields.¹⁶

By increasing the organic matter in soil (through composting, cover crops, green manures), we can improve soil health and increase soil carbon levels. Healthy soils would provide better defense against flooding by reducing run-off and would dramatically increase the yield and quality of food produced.^{17,18} Healthy soils also act as a carbon sink by drawing carbon down into the soil to store it. Improving soil health is therefore a critical way to tackle climate change.¹⁹ If implemented successfully, the annual sustainability audit would be able to display the improvement in soil health on an individual farm level and the Welsh Government could provide national data on the increase in soil health, nationally.

Public funding could support the delivering of soil carbon sequestration through proxy measures by supporting farming techniques that have been proven to deliver improved soil health. These would include holistic grazing, composting, rotations with cover-crops. Hedgerows similarly build soil carbon levels. As a country of small field with long hedgerows, the Welsh Government should recognize the value for this resource. The carbon sequestration of these hedgerows is considerable and farmers should be supported to increase and maintain their hedgerow per miles as part of a soil carbon stewardship scheme. The Government could also consider incentives for chipping biomass waste from hedgerows.

Greater emphasis should be placed on providing resource to farms so that they can become centers of education. It is critical that school children (particularly from urban centers) can come onto farms and see how

¹³ ADAS Wales, Increasing the range of vegetables grown in Wales, March 2007, available online: http://www.calu.bangor.ac.uk/infosheets/Increasing_vegetable_production.pdf

¹⁴ Victoria Schoen and Tim Lang, Food Research Collaboration, Horticulture in the UK: potential for meeting dietary guideline demands, March 2016, available online: <http://foodresearch.org.uk/wp-content/uploads/2016/03/horticulture-briefing-final-24-March.pdf>

¹⁵ Department of Environment, Food and Rural Affairs, Safeguarding our Soils: A Strategy for England, 2009, available online: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/69261/pb13297-soil-strategy-090910.pdf

¹⁶ Department of Environment, Food and Rural Affairs, Safeguarding our Soils: A Strategy for England, 2009, available online: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/69261/pb13297-soil-strategy-090910.pdf

¹⁷ Lara Bryant, NRDC, Organic Matter Can Improve Your Soil's Water Holding Capacity, May 2015, available online: <https://www.nrdc.org/experts/lara-bryant/organic-matter-can-improve-your-soils-water-holding-capacity>

¹⁸ Center for Food Safety, Soil and Carbon: Soil solution to climate problems, 2015, available online: <https://soilsolution.org/wp-content/uploads/2016/03/soil-and-carbon-report.pdf>

¹⁹ UN Food and Agriculture Organization, Soil Organic Carbon: the hidden potential, 2017, available online: <http://www.fao.org/3/a-i6937e.pdf>

food is grown and produced and reconnect the urban and rural divide. This should be considered a public good and the Department of Education should collaborate on this work to support and encourage schools to take up these opportunities. However, school-visits require additional infrastructure to meet health and safety standards, such as toilets, parking, handicap accessibility, etc. To support school visits, the Welsh government should provide support for on-farm infrastructure investment and help to make farms cultural centers. There is similar benefit in supporting eco-and-agritourism. Visitors to farms will connect with the rural regions, better understand the realities of farming and recognize the importance of natural beauty. It will also help to stimulate rural economies and improve the awareness of the Welsh products. To be successful, such an approach will require collaboration with VisitWales. A tourism programme should be piloted that learns lessons from the Italian agriturismo programme and integrates visitor experience with an authentic introduction of farming systems.

Question 11: A number of public goods could potentially take several years, sometimes decades, to be fully realised. e.g. carbon sequestration through broad leaf trees. To deliver on these, land managers may need to enter into a long term contract. How do you see such agreements working? What to you see as the benefits or disadvantages to such agreements?

Due to the nature of tenancies today, often land managers are locked into short-term tenancies. In the past, this reality has often made it difficult for them to benefit from government schemes that offer ecosystem service payments because schemes tend to be weighted towards delivering long-term objectives. Short-term tenants should not be excluded from applying for and receiving long-term schemes, even though it will sometimes be difficult to guarantee long-term benefits. It should be that the measurements are based on the system of farming that is being implemented, and not the specific outcome. Instead, a proxy metric could be used if research has shown that farms that adopt certain practices will see an overall improve. An example would be composting to increase soil carbon levels. In such an instance, the benefit can be assumed and farmers should receive a payment. Measuring the delivery of these short-term proxies could happen through an annual sustainability audit.

It is critical that the contract between farmer and Government to deliver these ecosystem services should be transferable. That would mean that the farm would be able to be transferred or sold with the payments continuing. If the new owner or land-manager did not maintain the practices that the Government had been incentivizing, it would be possible that the balance would need to be repaid.

Question 12: A collaborative approach to delivering public goods may in some instances provide better value for money than isolated activity. How could the scheme facilitate this approach? How could public and private bodies contribute to such partnerships?

It is necessary to adopt a catchment or landscape-based approach to effectively deliver a systemic shift in food and farming. Collaboration and cooperation are essential to achieving change at scale. In fact, collaboration will often have an exponential benefit on delivering public goods. For example, collaborating to create biodiversity corridors helps species to flourish more rapidly than they would on isolated areas of good practice. Where this added benefit is demonstrable, financial bonuses could be made to encourage collaboration.

There is no reason why you cannot have multiple partners from both the private and the public sector to deliver public good outcomes. In fact, it could be beneficial since these different actors would be able to incentivize behavior in different ways, and would be able to promote behavior change through the combined use of both carrots and sticks. An obvious example would be in water quality since the actions of communities upstream has a direct impact on downstream quality. Groups of farmers who are receiving payments to reduce their nitrogen

footprint should work closely together in order to maximize the reduction. Water companies (who have a financial interest in reducing upstream run-off) would be able to provide financial incentives through match funding for the public good payment. In addition to financing the public good of clean water, Government would also be able to act to enforce best practices through regulation and inspections.

More than just collaboration between Government and private sector, there needs to be greater collaboration across Government departments. Where it can be shown that investment in sustainable agriculture would lead to improved diets (as a result of increase nutrient density) and better health, the NHS could contribute to support payments. Similarly, where there is a mental health benefit for individuals to be in the countryside or working on care farms, the public health bodies should work with the Department of Agriculture to support those benefits financially.

Question 13: Some actions can deliver multiple public goods in the same location. For example, peat bog restoration can have benefits for carbon sequestration and flood risk reduction. However, some locations could be suitable for multiple public goods from different activities. For example, one location may be suitable to either plant trees for carbon sequestration, or to revert to wetland for biodiversity. How could locations for single, multiple or competing benefits be prioritised?

We recommend caution in relation to this dilemma. We strongly believe that sustainable managed farms will (by definition) deliver multiple public goods benefits due to the interconnected nature of those farming systems. Separating the difference aspects out could create a piece-meal list that would be counter-productive and would not effectively deliver the systemic change that is needed.

Question 14: Given that support for the delivery of public goods will be a new approach in Wales, there will be a requirement for a significant amount of training and advice for the sector. How best could this training and advice be delivered? Which areas of the sector need the most attention?

We would advocate for strong training and advice for new entrants. While we recognise the financial commitment that the Welsh Government made for a £6m grant scheme, more educational support is needed since new entrants often struggle to develop the tools and skills. 21% of new entrants in Europe acknowledged they needed better access to knowledge and advice with 57% wanting better finance and business skills.²⁰ Establishing a mentorship programme that pairs established farmers with new entrants would help provide the necessary support navigate those challenges and facilitate knowledge exchange. Such a programme should have a digital element with online training and use mobile technology to overcome the challenges of distance. In addition to the skills challenge, many new entrants also cite the rural isolationism as a reason to quit. Consequently, we would support the use of technology to better connect new entrants with others in the sector to provide professional support.

Question 15: Private investment in the purchase of public goods is already happening, but at a relatively small scale. How could the new scheme promote greater involvement from the private sector? What are the barriers to this type of investment?

The recent shift in plastics and recycling has been transformed through the involvement of the private sector. There are no doubt lessons that can be learned. By monetizing the cost of silage wrap, we have created a private market for public goods. This added financial incentive helps to encourage change at a faster rate by targeting

²⁰ Ecorys in cooperation with LEI and Aequator Groen & Ruimte, 2015

the problem from a different perspective and incorporating more stakeholders to become involved. That said, we are cautious about putting a price on nature and recognize that there is intrinsic value that cannot be put onto a balance sheet. There is a role for private companies to play and we would encourage the establishment of public-private partnerships to support the delivery of public goods through more sustainable farming practices. However, the market cannot provide all the solutions and there is still a critical role for the Welsh Government to play to incentivise and regulate behaviour.

We want to encourage greater public-private partnerships in connection to the Welsh Area Statements. The Area Statements allow for a better understanding of the state and trends of natural resources in a specific region. By using this information, Welsh Government is well placed to work with the local private companies to encourage support and collaboration to tackle the specific issue in that area.

Question 16: What are your comments on the phased transition period and our ambition to complete the changes by 2025?

We feel that the transition period allows plenty of time for farmers, businesses and the Welsh Government to implement the necessary changes.

Question 17: What is the most appropriate way to phase out the Basic Payment Scheme to start implementation of the new schemes?

We believe that capping payments with an arbitrary figure is not an effective approach. Instead, there should be a step-down process to gradually encourage farmers to adapt. We feel that Rural Payments Wales should continue to be government agency responsible for administering and delivering the Basic Payment Scheme during the transition period.

It would be necessary to tier the payments during transition period on the basis of economies of scale and the social impact of the farming. Smaller farms that are at greater economic risk from volatility in the market should continue to receive their payments while larger farms that have better economic resilience should have their payments reduced more rapidly. For example by 5% each year of the transition period. Additionally, during the transition period, the payments should be directly linked to public goods so that only farmers delivering ecosystem services will receive support. This could include a progressive introduction of a penalty for farmers who use artificial nitrogen fertilisers. For example, if they use artificial fertilisers, they might only receive 75% of their area-based payment in the first year of the transition, 60% of the area-based payment in the second year and 50% in the third year. This would be a mechanism to introduce farmers to the concept of public funding for public goods. Any money saved through such mechanisms could be ring-fenced for the new public goods funding stream.

Question 18: How can we simplify the current administration and delivery of the Basic Payment Scheme during the phased transition period?

The transition period will be a complex and challenging time for farmers as they try to adapt to the post-Brexit landscape and face the likely volatile market. It is therefore necessary that there is good and open communication between Government and farmers so that they can get information about the changes. Additionally, there needs to be training provided by Government to farmers in order to sufficiently acquaint them with the new schemes and the requirements.

During the transition period, the Welsh Government should also pilot potential schemes in order to test their viability and refine them for wider implementation after the transition period. One scheme that we would encourage the Welsh Government to pilot would be an annual sustainability audit to allow farmers to record and monitor farm data. We are aware that the Welsh Government already capture on-farm data. The new pilot scheme could build on the strengths and successes on the current scheme and convert it into a wider scheme that incorporates a wider range of metrics and measurements. In the future, this audit could be used to streamline the process and reduce bureaucracy. In connection with the introduction of a mandatory annual audit, the SFT would be happy to share all the work it has undertaken on metrics, which includes pilot studies and the development of reporting templates.

Question 19: Will the proposed land management programme have any effects (either positive or adverse) on:

- opportunities for persons to use the Welsh language;
- treating the Welsh language no less favourably than the English language?

No response.

Question 20: Do you wish to make any further comments?

There is a growing recognition of the interconnectivity of farming. We are moving away from the silo-ed thinking of the past that prioritized yield above all else towards an understanding of environmental interconnectivity that recognizes our Planetary Boundaries.²¹ Nowhere is the interconnectivity of natural systems and human capital more readily observed than on farms. To stay within Planetary Boundaries, farming be done in a manner that supports natural capital, builds resilience, mitigates climate change and improves biodiversity. It would be mistaken to encourage more of the same and the further commoditization of Welsh farming. By focusing on cash crops within an export-based system where one or two crops of Welsh produce are sold based on value-added branding, it pushes Welsh farmers to become price takers, and not price makers. The only way to move forward to guarantee a long-term sustainable future for Welsh farming is to support the relocation of the food system, decentralize the supply chain and to appropriately diversify crops.

It is necessary to integrate this vision of harmony in food&farming into the future agriculture policy in Wales. Yet, these changes need to go beyond the Welsh border. If the UK as a whole is to make the necessary shift towards a greener future, there has to be overarching objectives for the entirety of the United Kingdom. We need to have a common framework to protect and maintain the UK agrifood market. Only by creating unified policy objectives to support more sustainable agriculture within an agreed underlying framework will we be able to deliver a positive change. Each nation within the UK is connected and therefore the actions of one impact the other. Run-off from the uplands of Scotland enter English rivers. Air pollution from Wales drifts into Northern Ireland. We need to recognise the interconnected nature of the devolved system and work together to deliver a holistic vision of farming.

Beyond the UK, Welsh agricultural policies need to be considered against the context that the global farming system is pushing our planetary boundaries to their limits and is negatively impacting public health. It is clear that the mechanisms for reforming of the EU's Common Agricultural Policy will follow similar discussions.

²¹ Rockstrom et al, Stockholm Resilience Center, The Nine Planetary Boundaries, available online: www.stockholmresilience.org/research/planetary-boundaries/planetary-boundaries/about-the-research/the-nine-planetary-boundaries.html

Countries across Europe will be looking for inspiration and there is therefore an opportunity for Wales to show global leadership in food&farming and help deliver a holistic shift towards a more sustainable future for farming.