

**Statutory Review of the
Control of Agricultural Pollution Regulations**

NFU Cymru Evidence Submission

December 2024



Foreword

Welsh farming occupies over 80% of Wales' landmass; Welsh farmers, as a result, play a unique role looking after our cherished natural environment alongside our core role as food producers.

Farmers strive to improve standards to protect the water environment through a variety of approaches including the use of precision technology, nutrient management planning and ensuring the right nutrients are applied in the right conditions to meet crop needs. Overall water quality in Wales continues to show general improvement. However, we appreciate increasing levels of public concern and recognise there is more that we can and must do to contribute to further improvements going forward.

We have long been clear, however, that the Water Resources (Control of Agricultural Pollution) (Wales) Regulations (2021) (CoAPR) are not the way to achieve this – the Regulations represent a blunt, inefficient, bureaucratic and costly instrument with high costs to agriculture and unintended consequences for the environment. The Regulations fall short of the principles of good regulation established in the Regulators' Code – that regulation should be transparent, accountable, proportionate, consistent and targeted.

It is a source of significant regret to us that, almost four years after their introduction, the very serious concerns expressed by NFU Cymru in relation to the Regulations are being borne out on farms across Wales. Welsh farmers, already burdened by a range of issues and uncertainty, are also grappling with the implementation of the CoAPR Regulations and the draconian requirements placed upon them.

In this context, NFU Cymru has taken the opportunity presented by the statutory four yearly review of the Regulations, establishing our own Water Quality Review Group and commissioning research to understand the on farm issues associated with Welsh Government's regulatory approach.

Our work has stimulated a high level of interest from farmers - hundreds completed our survey and there have been thousands of comments to analyse. The results of the NFU Cymru survey bring to life the on the ground issues relating to the implementation of the Regulations - the stress and anxiety and the sheer impracticality – they are a reminder that change is needed.

NFU Cymru is clear that the review must address the most challenging and difficult aspects of the Regulations so they are proportionate and targeted.

In the context of a changing climate, new approaches are needed to replace the 'farming by calendar' approach which does not work now and will not work in the future.

In the context of Wales' net zero ambitions, regulations that force farmers to disregard valuable nutrients produced on farm and, instead, buy manufactured fertilisers to meet crop need is not a sustainable position – this has to be addressed.

A long-term sustainable solution is also urgently needed to allow farmers to operate above the 170 kg/N/ha limit from livestock manures from 2025 onwards and the bureaucratic burden associated with the Enhanced Nutrient Management Approach must be addressed.

Welsh Government must overhaul the storage requirements - costly investments in new slurry, manure and silage storage should reflect the on the ground situation and be proportionate to the risk recognising that there are often not the resources available on our

family farms to match the investment demands of the Regulations - where farmers are able to invest the process needs to become much easier.

Consideration is also needed of the record keeping burden associated with the Regulations together with a greater understanding of what all the paperwork actually delivers in terms of environmental benefit. The message from farmers has been clear – they derive no value at all from these arduous requirements.

It is now well over a decade since Welsh Government instigated a review into the regulatory burden on Welsh farmers. The [Working Smarter Review](#), led by Gareth Williams, identified then that *“the appetite for better regulation has never been stronger, not least because the country hovers around a second recession and business growth is an essential part of the solution, but also Ministers are hungry for change. Regulations are necessary and are in place for good reason but can represent an obstacle to efficient practices and business growth”*.

These words are as pertinent today as they were in 2011. That so little positive change has been secured during the interim period is concerning. For many, the regulatory burden has become intolerable and NFU Cymru is clear that an Independent Review Group to consider the cumulative burden of regulations and policies on Welsh farm businesses, also taking into consideration the wider economic and political context, is now urgently needed.

Gareth Williams also highlighted that the first step towards better regulation is to ensure that the farming industry is fully engaged with policy makers, agencies, farming unions and regulators. NFU Cymru believes that we may now have the ‘blueprint’ for an approach that properly involves farming in the development and delivery of shared outcomes. We believe the Ministerial oversight and governance arrangements that the Deputy First Minister has put in place for the development of the Sustainable Farming Scheme including the Roundtable is a model that should be replicated to take forward the recommendations of this review.



Aled Jones
President
NFU Cymru



Martin Griffiths
Chair
Water Quality Review Group



Executive Summary

NFU Cymru recognises the role that farmers have to play in maintaining and enhancing water quality in Wales. We are clear of our role as NFU Cymru. This is to work to create the right conditions and ensure the framework, mechanisms and support are appropriate to enable farmers to take pro-active steps to improve water quality where this has been shown to be needed.

We remain clear, however, that the Control of Agricultural Pollution Regulations¹ (2021) are not fit for purpose, they work against sound agronomic principles and the changing climatic conditions that allow crop growth for longer periods. The Regulations are resulting in significant impacts to farm business viability and farmer wellbeing with unintended consequences for our environment.

NFU Cymru, therefore, welcomes the opportunity to provide evidence to the four yearly independent statutory review of the Regulations led by Dr Susannah Bolton. We believe the review must provide the opportunity to amend the Regulations so they are workable and achievable on all Welsh farms.

To support our contribution to the review, NFU Cymru has established a Water Quality Review Group and commissioned research bringing new evidence to demonstrate the multiple aspects of the Regulations that are having negative impacts on farms across Wales. NFU Cymru's key asks resulting from the survey undertaken on the impact of the Regulations and other engagement are summarised as follows:

- NFU Cymru's position remains that Welsh Government should adopt an evidenced-based approach to policy making. On this basis, regulations, together with appropriate resources to support compliance and on the ground action, should be targeted to those areas where improvements to water quality have been shown to be needed. The whole Wales approach is disproportionate and burdensome.

Closed Periods

- NFU Cymru's long held view is that the 'farming by calendar' approach does not work. Welsh Government should explore the potential of amending the Regulations to enable a risk assessment approach to spreading during the closed periods, building on the principle established in Cross Compliance GAEC 5 – the [rough surface soil risk assessment notification](#).
- The potential of innovations and technological solutions submitted by the industry under article 45 of the Regulations to facilitate an alternative to a 'farming by calendar' approach should also be explored and taken forward.
- The Regulations should be amended to include a provision for spreading during the closed periods in exceptional circumstances. Exceptional circumstances provisions are also needed for those farms impacted by disease outbreaks such as bovine TB.

Investment and Planning

- Welsh Government must provide appropriate levels of investment support at the earliest opportunity to aid the building of infrastructure in line with the Regulations. This must be a new and additional financial commitment.

¹ The Regulations

- A ‘root and branch’ review of the Welsh Government investment support is urgently needed to consider the overall funding need, grant intervention rates and the application process.
- Part 6 of the Regulations which relate to the storage of organic manure and silage should be updated addressing the impracticality of demonstrating compliance with the detailed construction requirements of silos². A review of construction requirements for silage silos should be undertaken reflecting sound construction practices, minimised pollution risk, health and safety requirements and the topographical conditions found in Wales.
- Specific flexibility needs to be incorporated within the Regulations for tenant farmers who are unable, through no fault of their own, to reach compliance and where landlords are unwilling or unable to make the necessary investments.
- A Wales wide review of planning also encompassing SuDs and other relevant guidance³ impacting planning applications is urgently needed with new planning guidance issued.
- A system to share best practice across LPAs to address discrepancies and inconsistent interpretation of planning regulations should also be developed.
- NRW should review its systems and processes as a statutory consultee so that it provides one unified response to planning applications.

Record Keeping

- Welsh Government should commit to establishing a working group with industry representation aimed at improving and streamlining the record keeping requirements. This should include consideration of all guidance, workbooks and the risk mapping requirements together with a review of the penalty matrix and verifiable standards.
- The excel workbooks are not fit for purpose and Welsh Government should develop appropriate software including mobile phone app to aid farmer record keeping.
- There should be an exemption from record keeping for all farms below a certain stocking density and / or for those farms that do not produce or utilise organic manures with high nitrogen content.
- An Independent Review Group to consider the cumulative burden of regulations and policies on Welsh farm businesses, also taking into consideration the wider economic and political context should be established.

Inspections

- The implementation of the Regulations needs to shift from an enforcement to an advice led approach – a response that is proportionate to the risk. A Farm Liaison Service within NRW focussed on advice and guidance rather than enforcement should be established and a specific focus is needed to support farmers that are digitally excluded.
- A Memorandum of Understanding (MOU) between the regulator and the sector should be developed to establish the protocols around inspections.
- There must be a greater use of warning letters, advice and guidance to rectify issues as opposed to the application of automatic penalties and deductions to farm support payments.
- Farmers should be informed of any issues on the day of the inspection and it should be standard practice to provide and leave on farm clearly documented inspection feedback for the farmers information.
- Farmers should not be required, as a matter of course, for their records to be taken off farm by the inspector.

² Schedule 5 (Requirements for silos)

³ For example, NRW’s Ammonia Screening Guidance.

The practice of issuing NRW Code B notices on arrival at every inspection should be discontinued.

Nitrogen Limits

- A long-term sustainable solution is now urgently needed to allow farmers to operate above the 170 kg/N/ha limit from livestock manures from 2025 onwards. The bureaucratic burden associated with the Enhanced Nutrient Management Approach must be addressed.
- The Regulatory Impact Assessment undertaken by Welsh Government on the economic and environmental impact of the 170 kg/N/ha limit should be published without delay.
- Welsh Government should publish the scientific rationale underpinning the blanket 170 kg/N/ha limit from livestock manures in Wales across all farm types and locations.
- There should be a specific exemption provision within the Regulations to the 170 kg/N/ha limit for farms under bovine TB restriction.
- The regulatory requirements around crop limits need simplification and the N limits from organic manures need to be amended to ensure the focus is on making best use of organic fertilisers in line with circular economy principles and Welsh Government's Net Zero ambitions.

Welsh Beef Sector

- A cost benefit analysis is needed to understand the specific impact of the Regulations on suckler cow herds. A wider review is needed to ensure policy measures and regulation proactively support the sector.

Oversight and Governance

- The Ministerial oversight and governance arrangements that the Deputy First Minister has put in place for the development of the Sustainable Farming Scheme including the Roundtable is a model that should be replicated to take forward the recommendations of the review.
- Any recommendations resulting from this review that lead to proposals to change the Regulations should be subject to full consultation and comprehensive Regulatory Impact Assessment (RIA).

The full list of NFU Cymru's recommendations resulting from the survey undertaken on the impact of the Regulations and other engagement recommendations can be found at Annex 1.

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Annex 1 – Recommendations

1.1 Introduction

NFU Cymru welcomes the opportunity to provide evidence to the independent statutory review of the Control of Agricultural Pollution Regulations (2021).

NFU Cymru's vision is for a productive, profitable and progressive farming sector producing world renowned climate-friendly food in an environment and landscape that provides habitats for our nature to thrive. Welsh food and farming delivering economic, environmental, cultural and social benefits for all the people of Wales whilst meeting our ambition for net zero agriculture.

The importance of the farming industry in rural Wales cannot be overstated. Welsh farming businesses are the backbone of the Welsh rural economy and the axis around which rural communities turn. The raw ingredients produced on Welsh farms are the cornerstone of the £9.3 billion Welsh food and drink supply chain employing 228,500 people - the equivalent to 17% of Wales' total workforce.

The Welsh public associate Welsh farmers, first and foremost, with providing safe, high quality and traceable food. Welsh farmers also look after 80% of the land area of Wales, maintaining and enhancing our natural environment – Wales' key asset. Farming activity supports a diverse range of species and habitats, provides a range of ecosystem services including carbon sequestration, flood alleviation; also delivering the significant backdrop – our iconic Welsh landscapes – for Wales' tourism and recreation sector worth an estimated £3 billion annually.

Welsh farmers are key promoters and protectors of our culture, heritage and language with the highest proportion of Welsh speakers of any sector (43%). It has long been recognised that moves to undermine the viability of Welsh agriculture are likely to represent a significant threat to the Welsh language.

Overall Welsh farming makes an unparalleled contribution to the economic, environmental, social and cultural wellbeing of Wales as shown in the NFU Cymru [Farming – Bringing Wales Together](#) report here.

1.2 The Review

Article 44 (Monitoring and Review) of the Control of Agricultural Pollution Regulations (2021) require Welsh Ministers, at least every four years, to review the effectiveness of the measures imposed by these regulations as a means of reducing or preventing water pollution from agricultural sources and if necessary revise them.

When carrying out a review, the Welsh Ministers must take into account:

- a) Available scientific and technical data, particularly with reference to respective nitrogen contributions originating from agricultural land and other sources, and
- b) Regional environmental conditions

A review of the Regulations is required to be undertaken by the end of March 2025. On the 27 February 2024, Welsh Government confirmed it was putting in place the arrangements for the first review of the effectiveness of the Regulations, appointing an independent external chair to oversee the process.

Welsh Government also committed to consult on the suitability of alternative measure proposals brought forward under Article 45 of the Regulations. A commitment to undertake

an economic and environmental assessment of the impact of the 170 kg/N/ha limit (from livestock manures) to inform the future deployment of the Regulations was made by Welsh Government as part of the co-operation agreement with Plaid Cymru.

The objectives, methodology and outputs of the review are set out in the [Terms of Reference](#). In summary, the review is to determine if the Regulations are fit for purpose as they stand or should be modified to be more effective in achieving the outcomes, to prevent or reduce agricultural pollution. To assess this, Welsh Government has confirmed the review will include consideration of:

- stakeholder feedback via engagement of the ‘on the ground’ issues relating to the implementation and usability of the Regulations. Including record keeping and other regulatory requirements and impacts on farm businesses and processes

This report, prepared by NFU Cymru, meets this requirement and presents feedback from farmers across Wales and from all farming sectors grappling with the requirements of the Regulations, building on the various discussions that have taken place with the independent chair, Dr Susannah Bolton. NFU Cymru will provide feedback on other aspects being considered as part of the review including the evidence provided by NRW to support the review and the economic assessment of the 170 kg/N/ha whole holding limit for livestock manures separately.

NFU Cymru welcomes the opportunity to provide evidence to the review. Overall, NFU Cymru remains clear that the Control of Agricultural Pollution Regulations (2021) are not fit for purpose and are resulting in significant impacts to farm business viability and farmer health and wellbeing. The review must provide the opportunity to amend the Regulations so they are workable and achievable on all Welsh farms.

We are clear any recommendations resulting from this review that lead to proposals to change the Regulations should be subject to full consultation and comprehensive Regulatory Impact Assessment (RIA).

1.3 NFU Cymru position on water quality and the Regulations

NFU Cymru recognises the role that farmers have to play in maintaining and enhancing water quality in Wales. We are clear of our role as NFU Cymru. This is to work to create the right conditions and ensure the framework, mechanisms and support are appropriate to enable farmers to take pro-active steps to improve water quality where this has been shown to be needed.

NFU Cymru are strong advocates of appropriate interventions where poor practices are impacting on water quality. It is our long-held view that any approach must be evidence-based, provide local solutions to local problems, be developed in partnership with industry and given time to demonstrate effectiveness.

In 2017, following extensive consultation with our membership, NFU Cymru published our [vision](#) for improved water quality in Wales. Our vision recognised that a spectrum of approaches is needed to deliver the improvements in water quality we all want to see.

Positive action at farm level is facilitated by the provision of advice and guidance as well as appropriate incentive mechanisms that recognise the significant investment costs associated with farm infrastructure. Participation in assurance schemes and ‘earned recognition’ and novel approaches including trading, off-setting and innovative technologies that look beyond

formal regulation can also deliver positive environmental outcomes. We believe smart and proportionate regulation should be the backstop.

We have been active members of the Wales Land Management Forum Sub-Group on agricultural pollution since its establishment in 2017, making a key contribution to the [Progress Report](#) presented to the Cabinet Secretary for Energy, Planning and Rural Affairs in April 2018; also, leading a partnership of organisations to develop a voluntary farmer led approach to nutrient management – the [Water Standard](#), presented to Ministers in 2020.

The Water Resources (Control of Agricultural Pollution) (Wales) Regulations 2021 came into force on 1 April 2021 with transitional periods for some measures, replacing the Nitrate Pollution Prevention (Wales) Regulations 2013 which controlled the application of nitrogen fertiliser in nitrogen sensitive waters through discrete Nitrate Vulnerable Zone (NVZ) designations and, the Water Resources (Control of Pollution) (Silage and Slurry) (Wales) Regulations 2010 which regulated the custody and control of silage and slurry and provided the design and construction standards applicable for its storage.

NFU Cymru categorically and robustly rejected the regulatory approach adopted by Welsh Government. It is a source of significant disappointment and regret to us that the profound concerns we expressed to Welsh Government about the detrimental impacts of the Regulations are sadly now being borne out on farms the length and breadth of Wales.

NFU Cymru remains highly concerned that the application of the Regulations across the whole of Wales took no account of the [evidence](#), summarised as follows for information:

- States and trends of water quality in Wales

Water quality monitoring undertaken by Natural Resource Wales (NRW) for Water Framework Directive (WFD) shows an improving situation with respect to water quality in Wales. A high degree of variation of water quality across Welsh catchments also exists and the evidence is clear there are a range of factors influencing water quality in Wales with less than 15% of WFD failures attributable to agriculture.

Water quality monitoring focussed on headwater streams (not included within WFD reporting requirements) undertaken by Welsh Government's Glastir Monitoring and Evaluation Programme (GMEP) concluded in 2016 and showed a general ongoing improvement in the condition of small streams since 1990.

The same programme reported that soil nitrogen and phosphorus levels were stable on improved land, presenting a lower risk to waters.

- Incidents of pollution to water

NRW incident reporting showed no discernible upward or downward trend during the period 2000 to 2018 with many waterbodies incurring zero incidents of agricultural pollution.

- 2016 Nitrates Review

The specific evidence gathered by Natural Resources Wales (NRW) as part of the 2016 Nitrates Review recommended that the area of Wales designated as an NVZ should increase from 2.3% to 8%.

- NRW evidence on the effectiveness of the NVZ Action Programme

Analysis of the evidence provided by NRW provided no substantive evidence of the effectiveness of the NVZ Action Programme in reducing agricultural pollution despite a number of long-standing designations dating back to 2002. In fact, spikes in nitrates were observed prior to the start of and at the end of the closed periods within NVZ areas.

- Changing climatic conditions

In the context of a changing climate, where there is growing consensus that Wales will experience more extreme and challenging weather events, NFU Cymru has also long been clear that a 'farming by calendar' approach (closed periods) will not work and it is vital that farmers are allowed the flexibility to undertake field operations appropriate to the growing, weather and ground conditions.

In summary, there was no evidence to justify a whole Wales regulatory approach, many catchments in Wales have good WFD status with a long-term trend of improvement. Many catchments are unaffected by agricultural pollution with no incidents. A whole Wales approach is, therefore, disproportionate and cannot be justified.

There is also scant evidence to show that an NVZ approach will be effective in delivering improvements to water quality with the unintended consequences greatly outweighing the environmental benefits, forcing farmers to work against principles of good farm management and Wales' temperate climate and natural advantage for grass-based production.

The Regulations place excessive costs and burdens on every farm business in Wales with impacts to farm business viability, the supply chain and our rural communities. Welsh Government's Regulatory Impact Assessment (RIA), at that time, estimated costs of up to £813.5 million over twenty years including upfront costs of up to £360 million capital investment in new infrastructure, £7.5 million one-off planning costs and annual operational costs of £22.3 million. This is set against an estimated environmental benefit of £304 million. The economic / policy / regulatory landscape is set out later in this report but it is important to recognise in the context of Welsh Government's RIA, that in the intervening period, agriculture has been severely impacted by inflationary pressures which have added an estimated 30% to these costs.

NFU Cymru did and does not defend the status quo in terms of farming's influence on water quality in Wales. The need for a regulatory backstop was accepted alongside much greater effort and coordination in the area of advice and guidance, investment support, innovation and technology and voluntary approaches. It was and remains our position that regulation should be evidence-based, proportionate to the risk and targeted to areas where water quality improvements are needed.

NFU Cymru remains clear the Control of the Agricultural Pollution Regulations (2021) are not fit for purpose and work against sound agronomic principles and changing climatic conditions. The Regulations are resulting in significant impacts to farm business viability and farmer health and wellbeing. On this basis, NFU Cymru believes the review provides the opportunity to amend the Regulations so they are workable and achievable on Welsh farms, so they deliver the outcomes we all want to see including the continued supply of affordable food for all in society, viable farm businesses and thriving rural communities alongside improvements to water quality where these have been shown to be needed.

1.5 The economic / policy / regulatory landscape

It is important to consider the wider economic and policy landscape within which the independent review is being undertaken.

The latest [Welsh Farm Income Data](#) published in January 2024 relates to the period April 2022 - March 2023. The following paragraphs summarise the key points from the data published.

Average farm income across all farm types in the year to March 2023 increased by 3% at current prices but decreased by 2% in real terms to £46,600 per farm when compared to the previous year. This average figure masks the huge variation between different sectors and land types.

For example, Cattle and Sheep (Less Favoured Area - LFA) farms saw income decrease by 37% at current prices (40% in real terms) to £24,300. Disadvantaged area (DA) Sheep and Beef farm income fell by 33% at current prices (37% in real terms) to £18,600 and lowland Cattle and Sheep farm income fell by 30% at current prices (33% in real terms) to £18,700.

The losses can be put down to lower output and higher costs with many farm types recording the lowest income figures since 2019-2020. The average farm business income for Dairy farms rose by 87% at current prices in 2022-23 to £164,900 per farm. This rise in income can be mostly but not entirely explained by the rise in output from milk and milk products which increased by 49% for the latest year.

The substantial increase in income for dairy farms combined with the considerable decreases in income for almost all other farm types covered has meant that the overall average income for farms in Wales is not an accurate standalone measure for 2022-23.

Over half of farms in Wales have a negative income or an income of less than £25k. It is important to recognise that published Welsh farm income figures are very much looking at the position in the rear-view mirror being that they are based on figures from nearly two years ago.

On the 14th November DEFRA published 2023-24 [farm business income](#) figures for England. These show a decrease in farm income of 68% in dairy farm incomes for the year to the end of February 2024 with lowland grazing livestock farm income falling by nearly a quarter and LFA grazing livestock farms seeing a drop of 12%. In mid December Aberystwyth University published its Wales Farm Income 2023-24 results, these show a reduction in profit after rent and finance of 55% for Hill and Upland Dairy Farms and 67% for Lowland Dairy Farms compared to the 2022-23 results.

On a monthly basis [DEFRA publish price indices](#) for agricultural outputs and inputs. In the 12 months to September 2024 the average price for agricultural inputs has decreased by 4.9%. However, since 2020 the average price for agricultural inputs has increased by nearly 30%.

Bovine TB continues to have a major economic and psychological impact on Welsh farming communities. Latest [Government Statistics](#) show 12,278 cattle were slaughtered because of Bovine TB in the year to the end of September 2024, a staggering 27% increase on the previous year, the most over a 12 month period since 2009. The latest statistics highlight 616 farm businesses in Wales are restricted because of Bovine TB with thousands more living with the fear of what their next on farm TB test will bring. It is important to note that Bovine TB restrictions mean farmers lose control over their ability to manage stock numbers on farm

and will be restricted from exporting slurry from their holding. Both issues can have a significant impact on compliance with the Control of Agricultural Pollution Regulations.

In summer 2023 NFU Cymru undertook a [survey](#) on the impact that Bovine TB is having on farm businesses across Wales. 507 farmers were surveyed with responses coming from the whole of Wales. Of those experiencing a breakdown the estimated financial cost of TB in the last 12 months was £25,677. 37 farmers (7%) estimated the financial cost of TB to their businesses last year was over £100,000. Of the 462 members who consented to a question on mental health, 85% said TB has negatively impacted the mental health of them and their families.

NFU Cymru believes that multiple aspects of the Regulations including closed periods, storage requirements and N limits place an unacceptable additional burden on farmers under TB restriction.

In December 2023 Welsh Government published its latest iteration of the Sustainable Farming Scheme with its 'Keep Farmers Farming' Consultation Document. These proposals provoked a range of emotions within the farming community, concern, worry, frustration and at times anger, manifesting itself in different ways within the farming community.

There was widespread concern at the impact the proposals could have on Welsh farming. The Welsh Government's own impact assessment published on the same day that the Consultation Document was launched suggested a £200m hit to farm income, around 11% less livestock in Wales and 11% less labour on farm - a colossal 5,500 jobs at risk on Welsh farms.

Following the appointment of Huw Irranca-Davies to the position of Cabinet Secretary for Climate Change and Rural Affairs, a new timeframe for the Sustainable Farming Scheme was announced with the scheme now due to be implemented from 2026. A revised scheme outline has been published and the Cabinet Secretary / Deputy First Minister has committed to economic analysis and economic assessment ahead of final scheme decisions being made next summer. At the time of writing farmers have no information in relation to the level of funding or payment rates associated with the new scheme that will be introduced from 1st January 2026.

The Cabinet Secretary has made the positive commitment to maintain the Basic Payment Scheme and budget for 2025 providing much needed short-term stability and certainty to Welsh farming.

In terms of future funding for Welsh farming NFU Cymru has been clear that farm support must, as a minimum, be maintained at the levels received whilst we were within the CAP, in total circa £380 million per annum. However, it is important to recognise that this figure is based on the EU budget which was set at the end of 2013 ahead of the 2014-2020 CAP programming period, so its real terms value has been steadily eroded by inflation. The Bank of England Inflation calculator shows CAP replacement funding of £380 million would need to increase to over £500 million – just to stand still.

At the time of writing, we have no clarity on future funding commitments for Welsh Agriculture beyond the agreement made by the UK Government to baseline agricultural support to Wales for the coming financial year and the draft budget published by Welsh Government on the 10 December. It is unclear what the budget will be from 2026 and with Senedd Elections in May 2026 no commitment can be made which extends beyond that.

Welsh farmer confidence is critical to the future of a profitable and productive food and farming sector, and that confidence feeds through to investment, production and growth

intentions, thereby having a wider impact on farming's economic contribution as well as food production.

The annual [NFU Confidence Survey](#) has found confidence of English and Welsh farmers is at an all-time low. The Farmer Confidence Survey shows that short and mid-term confidence is at its lowest since records began in 2010. Farm business profitability has also fallen with 65% of respondents saying their profits are declining or their business may not even survive. Low confidence, declining profitability, and high interest rates means it is likely that farmers will also be cutting investment on farm. This lack of investment in future production is being reflected in a reduction in farm borrowing. Agricultural borrowing in April 2024 was £17.53 billion, the lowest level of borrowing for the industry since 2016.

These figures indicate that farmers may be having issues with gaining credit from their lenders due to the serviceability of debt and perceived viability of their businesses. Under the current economic climate there is stricter accessibility for finance, especially for farm businesses who have historically sat on the margins of viability and non-viability regarding their financial performance as a business.

Farmers need access to capital – not least to comply with the Control of Agricultural Pollution Regulations, even where Welsh Government grants are available to support investment in infrastructure this has become more challenging. With interest rates at 4.75%, having reached 5.25% and having increased from 0.1% in December 2021 the ability to service increased loan repayments continues to be a major concern to many farming businesses.

Analysis shows that for an investment of £100,000 of borrowed capital to install extra infrastructure the typical farm business would be looking at a cash cost of £9850 per annum for 20 years at a rate of 3% over Bank of England base rates. This would add extra pressures onto these already vulnerable businesses, as highlighted above

There is concern around levels of production in Wales and the impact that this could have on Welsh farming and the wider supply chain. The [June 2024 Survey of agriculture and horticulture](#) shows that at 8.7 million, the number of sheep and lambs in Wales is similar to the 2023 figure. This the lowest level since 2011. The intervening years have seen the number fluctuate up and down. There are 1.09 million cattle and calves in Wales - a small fall from 1.12 million last year. This fall was more pronounced in the beef herd (5.8%) than the dairy herd (1.3%).

There is no doubt that the decision by the Chancellor in October's budget to introduce a tax on the passing of our family farms to the next generation will leave many farmers with neither the means, confidence nor the incentive to invest in the future of their businesses. The changes announced threaten our family farm structure and our tenanted sector and our nation's food security.

The changes announced will see agricultural assets over £1m attract an inheritance tax at a rate of 20% from April 2026, something which will bring the majority of Wales' family farms into the scope of this tax. Just because a family farm may look like a valuable asset on paper, that does not mean those who work it are wealthy and able to meet a large tax bill. Whilst there is typically a lot of capital involved in farm businesses, the return on the capital employed in farming, after taking into account a wage for the farmer, averages less than 1%. Such a rate of return is completely insufficient to pay an inheritance tax charge of 20% upon the generational transfer of that farm. Unless we see an urgent reconsideration by the UK Government, NFU Cymru fears we are going to see the breakup of multi-generational family farms.

Despite [market prices](#) remaining relatively strong it is clear that a range of economic, policy and regulatory concerns alongside access to finance are having a significant negative impact on farming businesses at the current time and will continue at least in the short to medium term. The factors must be considered as part of the review of the CoAPR Regulations. .

2 NFU Cymru approach to the review

To inform NFU Cymru's input to the review of the Regulations, a Water Quality Review Group, chaired by Martin Griffiths (Ceredigion dairy farmer) with pan-Wales and cross sector representation of our membership was established.

The NFU Cymru Water Quality Review Group commissioned research to gather information on the 'on the ground' issues and impacts of the Regulations. This took the form of an online survey developed with the support of NFU's Research Team.

The survey comprised a total of 35 questions (including a number of open questions allowing respondents the opportunity to provide comments) and was open between 17 July and 5 November 2024. The survey was published on the NFU Cymru website and was promoted at the Royal Welsh and other shows over the summer months and through the NFU Cymru Farming Wales publication and weekly newsletter.

A total of 406 responses were received, with between 19 and 65 participants representing each county of Wales. 46% of the responses were received from beef / sheep farmers and 39% of respondents were dairy. 7% of respondents were mixed arable and livestock farms, 2.5% were poultry and approximately 2% were arable farmers.

The headline results of the survey are presented in this report along with relevant comments and case studies to 'bring to life' farmer experiences of the Regulations. All case studies and quotes have been anonymised to protect the safety and wellbeing of the farmers concerned.

3 NFU Cymru survey results

3.1 Impact of the Regulations

The survey asked participants to consider how various aspects of the Regulations were impacting or were expected to impact their farm business⁴ by ranking the impact of each aspect either very positive, fairly positive, no impact / not applicable, fairly negative or very negative.

The results are presented in Figure 3.1.1 and Figure 3.1.2 below.

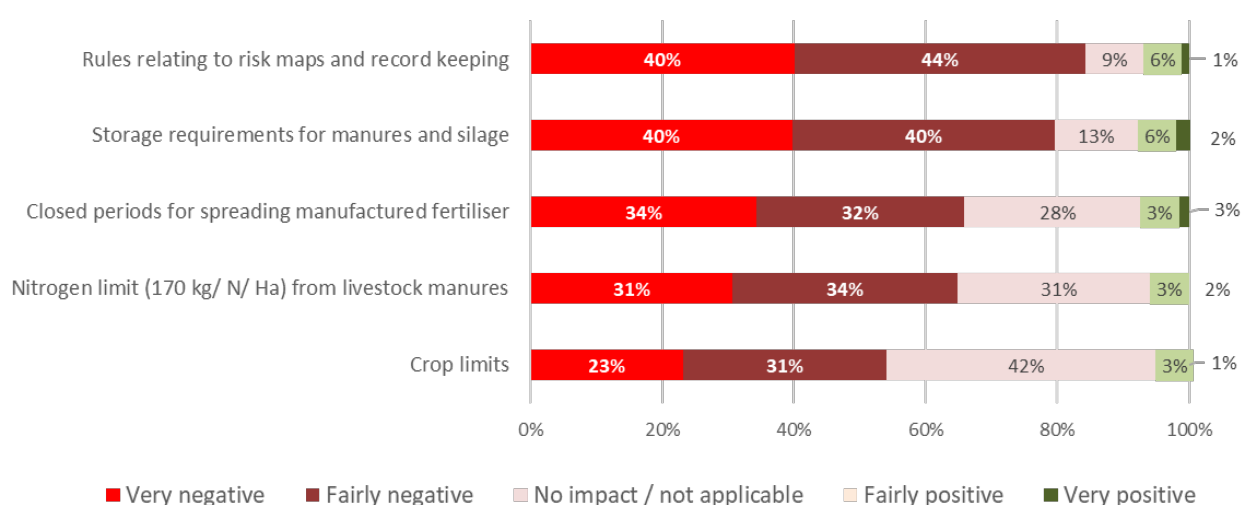


Figure 3.1.1 – Impact of current Regulations on your business

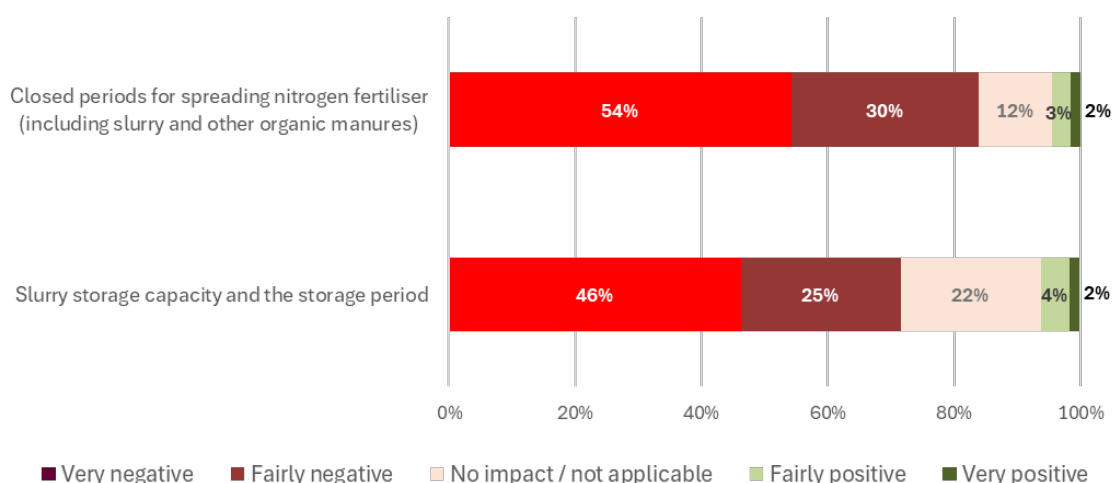


Figure 3.1.2 – Expected impact of Regulations from 1 August 2024

⁴ Regulations relating to closed periods for spreading nitrogen fertiliser (including slurry and other organic manures) and slurry storage capacity and the storage period were introduced from 1 August 2024, midway through the survey period.

The survey found that a significant majority (70%) of respondents identified that the Regulations were having a very or fairly negative impact on their farm business, specifically:

- 84% of respondents identified that the rules relating to risk maps and recording keeping were having a very or fairly negative impact.
- 84% of respondents cited the closed periods for spreading of manures were expected to have a very or fairly negative impact.
- 80% of respondents identified that the storage requirements for manures and silage were having a very or fairly negative impact
- 71% of respondents reported that they expected slurry storage capacity and the storage period to have a very negative (46%) or fairly negative impact.
- 66% of respondents identified that the closed periods for the spreading of manufactured fertilisers were having a very negative or fairly negative impact.
- 65% of respondents identified that the Nitrogen limit (170 kg/N/ha) from livestock manures was having a very or fairly negative impact
- 54% of respondents identified that the crop limits were having a very negative or fairly negative impact.

Very few of the respondents identified that the Regulations were having a very positive impact (less than 2%) or fairly positive impact (4%) on their businesses.

The results highlight that the Regulations are having a negative impact on farm businesses in Wales. Respondents highlighted that they are experiencing a range of negative impacts i.e. there are multiple aspects of the Regulations that need to be considered and addressed as part of the review including the record keeping requirements, the closed periods, the storage requirements, and the N limits.

3.2 Changes to farming systems as a result of the Regulations

Survey participants were asked whether they had changed their farming system as a result of the Regulations. The results are presented in Figure 3.2.1 below:

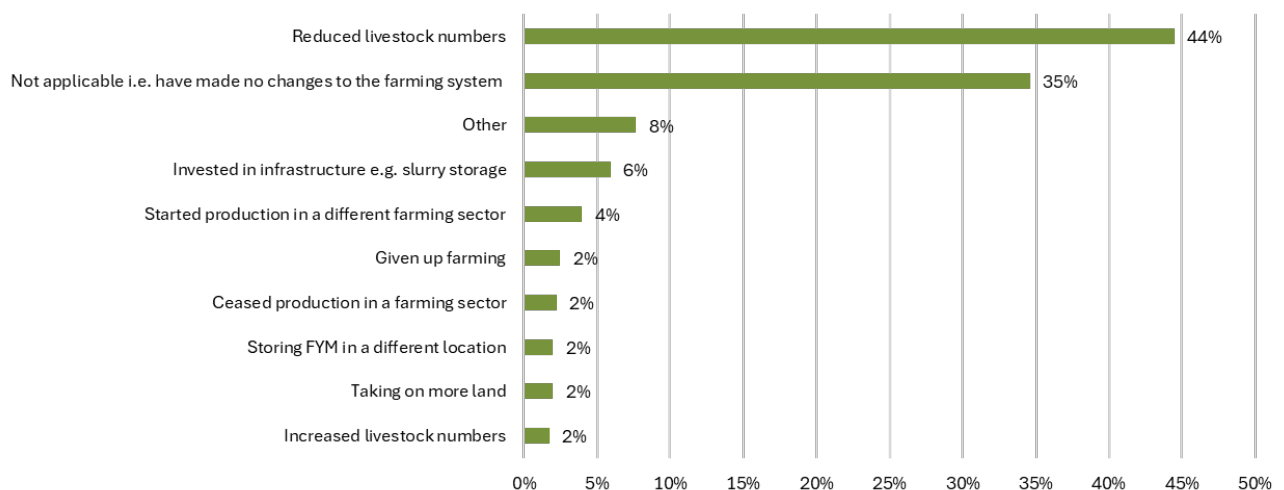


Figure 3.2.1 – Change in farming systems due to the Regulations

Nearly two thirds of respondents (65%) reported they had made one or more changes to their farming system as a result of the Regulations. The most frequent change to farming system was reduced livestock numbers (44%), 4% had given up farming or ceased production in a farming sector due to the Regulations.

Respondents to the survey were invited to provide feedback on how they had changed their farming systems and comments included:

“More time in the house on paperwork and increased stress levels”.

“Extra cost looking at FYM shed, mental health, stress, marriage is being strained”.

“Moved away from slurry to FYM system”

“Exported valuable nutrients to neighbouring farms”.

“Taken on more land to comply, moved dairy herd to spring calving”.

“Had to make significant investments which has put the farm under severe financial pressure”.

“Was in the early years of a new enterprise and have had to re-plan as can't increase the stock to the numbers I had initially planned”.

“We as a business have been looking for more land so that the business can comply with the regulations that are being set, we are not in any position to reduce stock numbers as we need all the existing stock to have any chance of running a viable business!”.

“Increased amount of record keeping, invested in increased storage capacity, implement closed periods for slurry spreading. All of which has been a significant cost to our business”.

“The regulations are forcing many out of cattle keeping and having a huge impact on anxiety, stress and general mental health”.

The comments highlight that survey respondents are having to make changes to their farming systems as a consequence of the Regulations with a number of knock-on impacts including to farm business viability, farmer wellbeing. A number of respondents highlighted how the Regulations interfered with good farm management practice, for example, through the export of valuable nutrients and increased reliance on inorganic manufactured fertilisers to meet crop need.

3.3 Improvement in water quality due to the Regulations

Survey respondents were asked if the Regulations had led to an improvement in water quality. The results are presented in Figure 3.3.1 below:

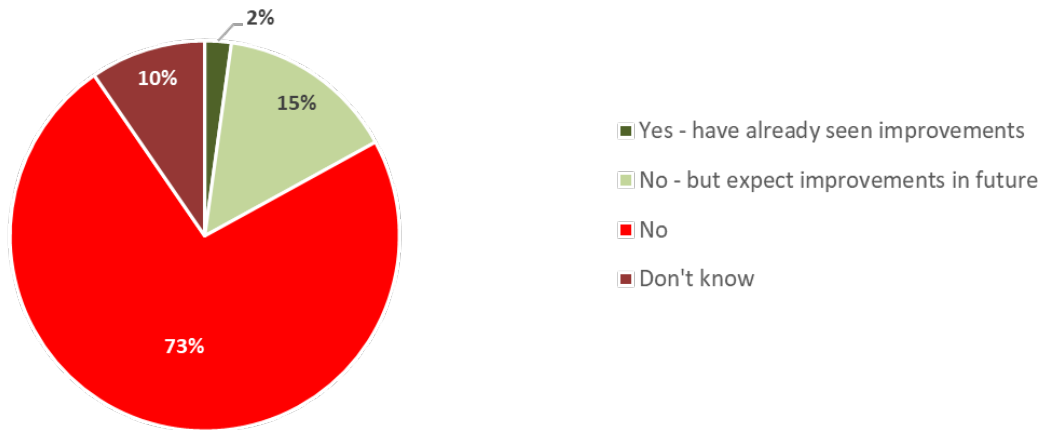


Figure 3.3.1 – Improvement in water quality due to the Regulations

Only 2% of respondents reported seeing improvements in water quality as a result of the Regulations with a further 15% indicating that they expected to see improvements in water quality in future. However, almost three quarters (73%) of respondents indicated that they had not seen nor expected any improvement in water quality in the future. A further 10% did not know.

Comments (shown below) provided by respondents in relation to water quality on their farm reinforce [the evidence](#) that shows that water quality varies across Wales and in some catchments water quality is already good and not being impacted by agricultural activities. A number of the comments received also draw attention to the fact that there are a range of factors influencing water quality in Wales. The response also highlights a lack of confidence in the Regulations as a driver of water quality improvement.

“I don’t believe my farm ever affected water quality in the area”.

“The water quality has been officially tested for years just below our farm and there has never been an issue with it”.

“Tested regularly and very good, no incidences of pollution as always attempt to reduce risks”.

“I farm in an appropriate manner, with a common sense approach, where I manage manure and slurry as an asset. I do not knowingly pollute water courses”.

“Water tests have not identified any issues with water quality on our farm....”

“Water quality is very good already”.

“No previous pollution issues, so no betterment”.

“There are other polluting sources to be factored in including sewers, industrial and highways”.

“Revert to the 8% of Wales as suggested by NRW”.

“Pollution in our catchment is due to no investment in sewerage works”.

“A large proportion of our farm has been in an NVZ for well over a decade, sadly the waterbody that initiated the designation has seen no change despite everyone conforming to the restrictions for all that time”

“Farming by calendar rather than conditions in my view is a step backwards in our aim of being better farmers for the environment”.

The results show that respondents are experiencing a range of negative impacts as a result of the Regulations leading to significant changes to farming systems with knock-on impacts to farm business viability and farmer wellbeing. The survey also shows that farmers continue to question the effectiveness of the Regulations and the appropriateness and benefit of applying the Regulations across the whole of Wales. The whole Wales approach does not reflect the evidence and is disproportionate and burdensome on farm businesses operating within catchments that have good WFD status and that have incurred no agricultural pollution incidents.

Welsh Government should adopt an evidenced-based approach and the Regulations, together with appropriate resources to support compliance and on the ground action, should be targeted to those areas where improvements to water quality have been shown to be needed.

The survey examined a number of the impacts in more detail including investment (slurry, manure and / or silage storage), planning, record keeping, support (advice, guidance and grants), inspections and the 170 kg/N/ha from livestock manure limit. A large volume of feedback in the form of comments was also received on a number of aspects of the Regulations including the closed periods for the spreading of manures, crop limits together with specific sector impacts, for example, on the Welsh beef herd also emerging as strong themes.

3.4 Closed periods

The Regulations establish closed periods for the spreading of organic manures with high readily available nitrogen. As shown above 84% of respondents identified that the closed periods were having (or were expected to have) a very negative impact or fairly negative impact on their business. Two thirds of respondents (66%) highlighted that the closed periods for spreading manufactured fertiliser were having a very negative or fairly negative impact on their business.

The closed periods attracted a high number of comments including:

“The closed periods make no sense.....surely these dates need to be adjusted and made flexible to suit the weather and the growing crop season in Wales”.

“Total waste of time if they insist on continuing with farming by date if weather patterns are changing”.

“Have made pollution worse, having to farm to a date”.

“Water quality could actually get worse if farmers are forced into spreading slurry either side of the closed periods when neither ground or weather conditions are suitable”.

“The closed period will have a detrimental impact because we will be forced to spread by calendar rather than when weather conditions are favourable”.

“Absolute lunacy spreading by calendar. Being forced to spread in inappropriate conditions just to keep within a calendar date”.

“Slurry will be spread when ground conditions are not optimum causing more not less pollution”.

“Made water quality far worse as we are being forced to spread when ground conditions are not suitable because of the closed periods instead of little and often”.

“Very wet this year in September when you would need to spread slurry but dry the last two weeks of October and first two weeks in November which would make sense to spread. Grass is still growing this year and cows are still grazing, the ground needs the nutrients which would be utilised by the grass and not wasted. Impact is stress and worry about not being able to comply and locate a contractor to spread before the closed period due to weather and sheer volume of work”.

“It’s all about knowing your land and having that knowledge to know where and when to spread”.

“We are part of a water quality and testing group and have been testing for a few years with regards to the new regulations coming in to show that calendar based is not the way to go. We are trying to show that weather based evidence with a traffic light system to show if the conditions are suitable for spreading slurry”.

“Surely with all the technology we have at our disposal we can have a flexible closed periods depending on variables such as rainfall, temperature and ground conditions to determine when is best suitable for application.

“LoRaWAN gateways and sensors on farm so farmers can use data to qualify their soils are in an appropriate condition for spreading no matter the time of year”.

“Closed periods are madness, could we have a system where spreading can be justified on the basis of weather and ground conditions”.

The survey has highlighted farmer concerns that the inflexibility within the Regulations in respect of closed periods inhibit their ability to make decisions about field activities, including spreading, appropriate to the prevailing growing⁵, weather and ground conditions reinforcing NFU Cymru’s long held view that the ‘farming by calendar’ approach does not work.

Welsh Government should also explore the potential of amending the Regulations to enable a risk assessment approach to spreading during the closed periods, building on the principle established in Cross Compliance GAEC 5 – the [rough surface soil risk assessment notification](#).

The potential of innovations and technological solutions submitted by the industry under article 45 of the Regulations to facilitate an alternative to a ‘farming by calendar’ approach should also be explored and taken forward.

The Regulations should be amended to include a provision for spreading during the closed periods in exceptional circumstances. Exceptional circumstances provisions are also needed for those farms impacted by disease outbreaks such as bovine TB.

⁵ Grass measuring on one farm highlighted, for example, that there was more grass growth in October than August in 2024.

3.5 Crop limits and spreading organic manure – nitrogen limits per hectare

Part 3 of the Regulations specify the total amount of nitrogen permitted to be spread on any crop. Part 2 of the Regulations limit the application of organic manure per hectare.

As above, 54% of respondents identified the crop limits are having a very negative or fairly negative impact on their businesses. Comments from respondents included:

“Digestate applications to crops grown after August have had to be reduced despite established crops and cover crops needing nutrients to perform adequately”.

“There are very few water courses on our farm so pollution risks are low. We have traditionally applied digestate to crop needs using sophisticated precision equipment, but are now being limited to 250 kg/N/ha per rolling calendar year from an organic source. We regularly grow 2 crops in one year using direct drilling to avoid bare land, help soil organic matter and improve carbon footprint. The current rules do not allow this, so instead of using digestate from food waste, we will be forced to buy inorganic fertiliser to provide nutrients to grow the crops”.

“The 170kg/ha livestock manure organic N limit does not affect us, but the 250kg overall organic N limit per ha massively affects us. It will push us into having to purchase expensive inorganic nitrogen to reach crops needs with a much higher carbon footprint”.

“The calculations are quite onerous, especially as the organic nitrogen 250 kg/ha average is on a rolling 12 month period. This makes life extremely difficult when growing crops in rotation (which is good practice after all)”.

The 250 kg/ha organic nitrogen average field limit for a rolling calendar year causes enormous efficiency and economic issues”.

The feedback reflects frustration that that the Regulations add unnecessary complexity and work against good farm management practice and farmer efforts to reduce the greenhouse gas (GHG) emissions associated with food production by forcing them to utilise inorganic fertilisers to meet crop needs.

NFU Cymru is clear the regulatory requirements around crop limits needs simplification and the N limits from organic manures need to be amended to ensure the focus is on making best use of organic fertilisers in line with circular economy principles and Welsh Government’s Net Zero ambitions.

3.6 Welsh beef sector

As highlighted above (section 1.4), there are a range of factors impacting on the Welsh beef sector with knock on consequences for critical mass within the supply chain - this includes profitability in the context of increasing costs together with bovine TB.

A number of survey respondents highlighted their concerns about the impact of the Regulation on suckler cow herds, as follows:

“40 years ago there were approximately 180 suckler cows on farm in our parish. Now there are approximately 60. This is partly down to regulations. We are being stopped from farming by the increasing regulatory burden”.

“As a hill farm we have very good water quality, the water regulations have made no difference to water quality but have meant that we have reduced cattle numbers”.

“These draconian regulations have put the nail in the coffin for many hill suckler herds. The areas that were having the biggest problems with water quality should have been targeted”.

“We were quoted a figure of £90,000 to put in a new slurry store for a 50 cow cubicle shed for suckler cows, not counting planning and SuDS expenses. We made the decision to cut cow numbers. You cannot financially justify putting in a slurry system for sucklers”.

“Suckler cows don’t justify any investment”.

“Cannot afford to invest in any type of storage, will have to sell cattle before investing in storage. NRW pay us to graze cattle on SSSI land, these need to be housed indoors over winter so in a very difficult position. Need to keep cattle to meet NRW requirements, however, cannot afford to invest in storage”.

NFU Cymru believes the Regulations need to be considered against a long-term downward trend in overall cattle numbers. In 2004 total cattle numbers in Wales were in the region of 1,266,000. This had declined to 1,134,000 by June 2018 and as of October 1, 2024, Wales had 1.1 million cattle (14% of GB herd) and marking a year-on-year decline of 1.5%. Future projections indicate that this trend will continue.

The number of beef cow holdings also show a downward trend from 10,816 in 2004 to 6927 in 2021 and still going down. The average beef herd size remains around 23 breeding cows. The June 2024 Survey of agriculture and horticulture shows that the size of the beef herd decreased by 5.8% over the last 12 months to a figure of 140,700.

Changes to agricultural policy over this period, the viability of suckler cow herds and wider issues such as bovine TB are all factors that have challenged farmers ability to remain in the sector. In other countries such as Ireland and Scotland, specific programmes of support for the beef sector have been put in place. No similar packages exist in Wales.

A declining Welsh beef sector has consequences for the environment. The benefits of cattle to biodiversity have been the subject of academic research and cattle grazing is recognised as an important factor in the ongoing maintenance and enhancement of a range of habitats and species. The loss of cattle grazing from the uplands of Wales, for example, has been instrumental in the spread of invasive hill grass species linked to the loss of important heathland habitats of international conservation importance.

The additional costs and regulatory burden associated with the Regulations are placing increased pressure on the Welsh beef sector with consequences for supply chain and the environment. Moreover quality Welsh Assured Beef with its PGI status is in high demand both for the home and export market.

A number of recommendations within this report, for example, in relation to record keeping have the potential to ease the burden of the Regulation on suckler herds.

In addition, NFU Cymru believes that a specific cost benefit analysis is needed to understand the specific impact of the Regulations on suckler cow herds.

A wider review is needed to ensure policy and regulation measures proactively support the sector.

3.7 Investment – slurry, manure and / or silage storage

Respondents were asked whether they had invested or planned to invest in slurry, manure and / or silage storage to reach compliance with the Regulations.

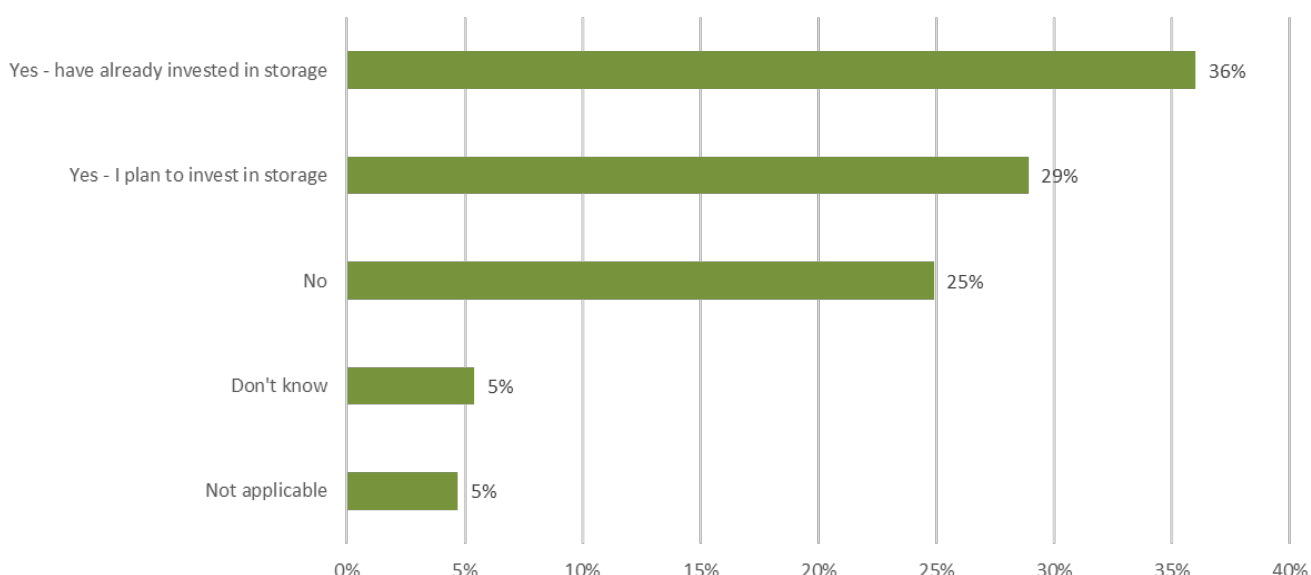


Figure 3.7.1 – Current or planned investment in slurry, manure and / or silage storage

36% of respondents indicated that they had invested in slurry, manure and / or silage storage to meet compliance with the Regulations. A further 29% reported they planned to invest.

The survey asked respondents to provide information on the amount they had invested / or planned to invest in storage.



Figure 3.7.2 – Amount invested / planned investment in storage

In terms of investment costs, the survey shows that 19% of respondents had invested between £75,001 to £100,000, a further 19% of respondents had invested £100,001 to £200,000 and 12% of respondents had invested over £200,000. The estimated mean cost of investment is approximately £100,000.

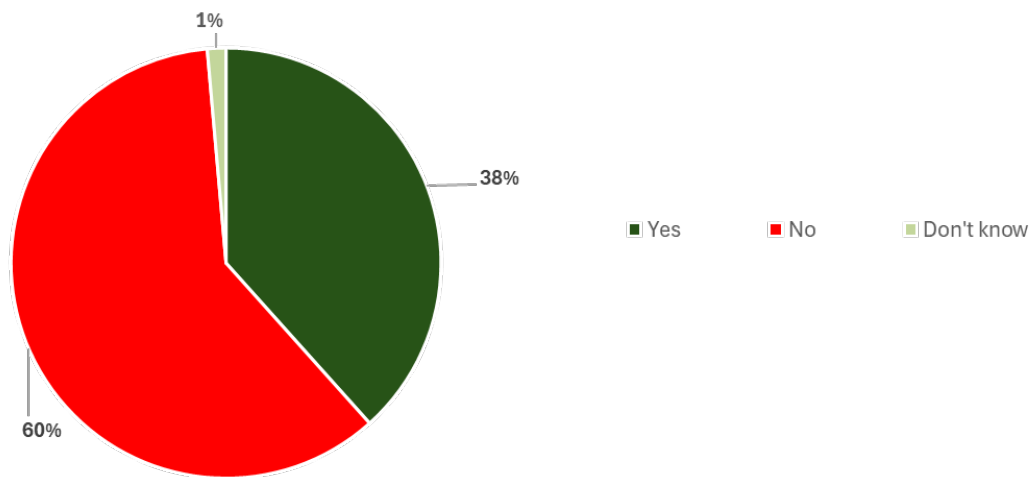


Figure 3.7.3 – Grant support towards investment costs

60% of survey participants indicated that they had not received grant support towards the investment costs and the scale of investment required in slurry, manure and / or silage storage attracted a large number of comments and concerns from respondents to the survey, including:

“The cost will have a massive affect on our cashflow and profitability in years to come due to having to pay the investment back”.

“As a small family farm it is very difficult to justify the investment for new infrastructure when we have a small turnover”.

“To be honest I don’t know how I’m going to afford the infrastructure”.

“The process to apply for grant from application to payment needs to be more fluent”.

“Farming needs to be profitable to pay for all the improvements needed”.

“Investment too high relative to current profits”.

“With the current margins so tight it’s impossible to find the extra capital for improvements. We do not have any pollution issues and feel it’s unfair to use the one size fits all approach”.

“Suckler cow beef production is not profitable enough to warrant large investment. Any significant investment would mean producing beef cattle for no personal financial gain for the next 10 years”.

“We simply have no money to invest in storage facilities even with a grant”.

“As a tenant farmer it is difficult to justify such a large investment”.

“We are tenants on a council farm. The council are unwilling to provide any capital investment and are also unwilling to provide long term tenant security to promote tenant sourced investment on the farm. As a result we will have to significantly reduce dairy cow numbers in order to be compliant, to the point that the business will be unviable and we will look to exit the industry in the next year”.

“Applying for the grant was far too complicated and onerous”.

“The grants available will not cover the inflation seen in material costs post covid and the war”.

“Investment may not be deliverable without widespread funding which was much easier to access than it is today”.

“The grant funding should be more straightforward”.

“The business cannot withstand a cost of £75,000. Therefore, we will have to consider carefully if we continue keeping cattle. The next generation who work on the farm want to keep farming beef but it’s not economically feasible”.

It is clear from the survey that farmers have made significant efforts on farm to invest in the infrastructure required to achieve regulatory compliance. Since the introduction of the Regulations, Welsh Government has made available a limited amount of grant funding to support investment in infrastructure⁶. However, the survey shows that in the majority of cases this investment has had to be undertaken without support from government. Respondents identify a number of issues including the poor design of the investment schemes or delays experienced within the planning system which results in farmers being unable to do the work within the terms of the grant offer letter (see later section).

The investment requirements associated with the Regulations are clearly an issue that continues to weigh very heavily on farmers. In some instances, farmers simply cannot afford the costs based on the profitability of their businesses. Even where grant support is available there are challenges to cash flow associated with funding the upfront costs before grant aid is drawn down.

NFU Cymru continues to be concerned that the investment support provided by Welsh Government to support compliance with the Regulations has been wholly inadequate and is out of step with its own Regulatory Impact Assessment which put the upfront costs at £360m

⁶ See [Nutrient Management Investment Scheme](#) (maximum grant award £50,000) and [Small Grants Yard Coverings](#) (maximum grant award £12,000)

(prior to inflationary pressures experienced within the sector). The survey highlights that the scale of investment is such that farmers are being forced to leave the industry or change enterprise.

Welsh Government must provide appropriate levels of investment support at the earliest opportunity to aid the building of infrastructure in line with the Regulations. This must be a new and additional financial commitment.

A 'root and branch' review of the Welsh Government investment support is urgently needed to consider the overall funding need, grant intervention rates and the application process.

Part 6 of the Regulations which relate to the storage of organic manure and silage should also be updated. Farms are failing inspections on the requirements of Schedule 5 (Requirement for silos) due to the impracticality of demonstrating compliance with the detailed construction requirements – even where these structures pose no pollution risk.

Specific flexibility needs to be incorporated within the Regulations for tenant farmers who are unable, through no fault of their own, to reach compliance and where landlords are unwilling or unable to make the necessary investments.

3.8 The Planning System

The survey asked respondents if they required planning permission to reach compliance with the Regulations.

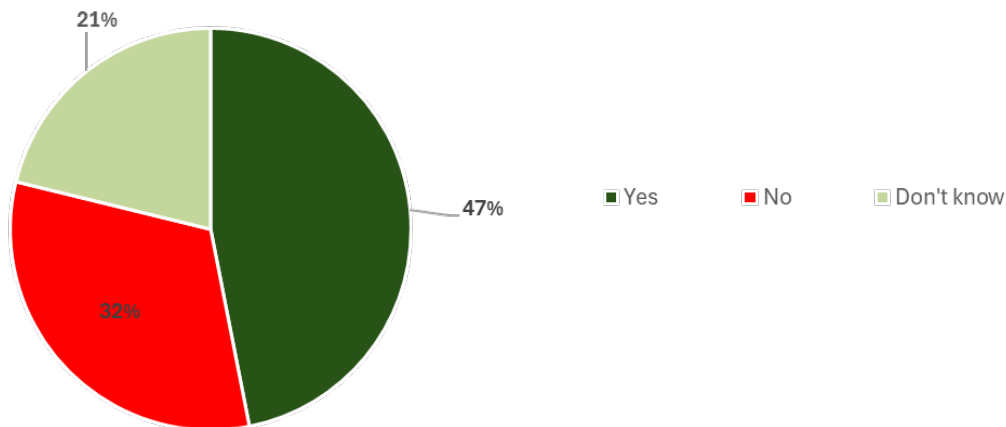


Figure 3.8.1 – Planning permission

Almost half (47%) of respondents indicated that they required planning permission to reach compliance with the Regulations. 32% of respondents did not require planning permission⁷. A further 21% of respondents did not know whether they required planning permission or not.

⁷ Noting that new infrastructure is not required in all cases.

Respondents were asked to consider the performance of NRW and LPA dealing with the planning application as shown in Figure 3.8.2 below.

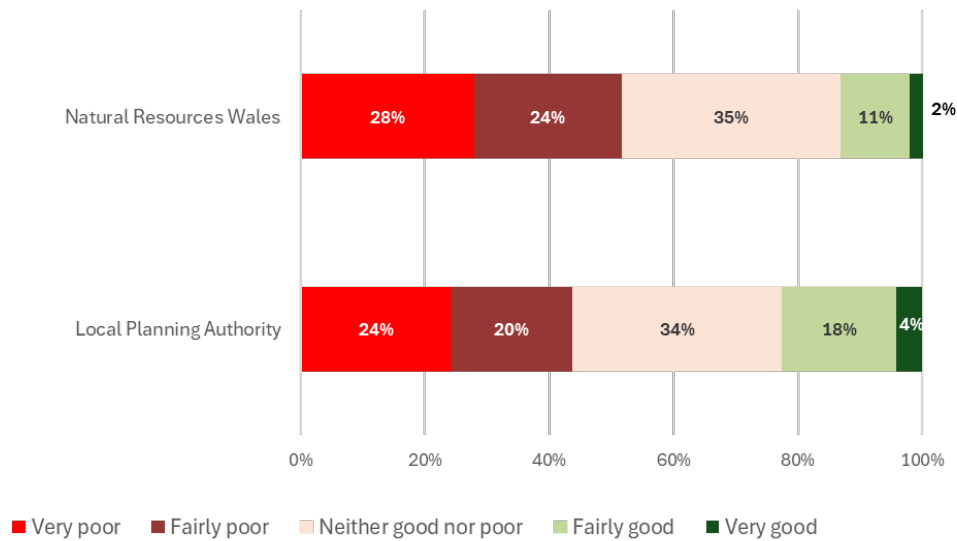


Figure 3.8.2 – Performance of NRW and LPA in dealing with planning application

13% of respondents indicated that the performance of NRW had been fairly good or very good when dealing with their planning application. 52% of respondents indicated that NRW’s performance had been fairly poor or very poor. 22% of respondents indicated that the performance of the LPA had been fairly good or very good when dealing with their planning application. 44% of respondents indicated that the performance of their LPA had been fairly poor or very poor.

In terms of the amount spent on planning including advice, application fees, this is shown in Figure 3.8.3 below:

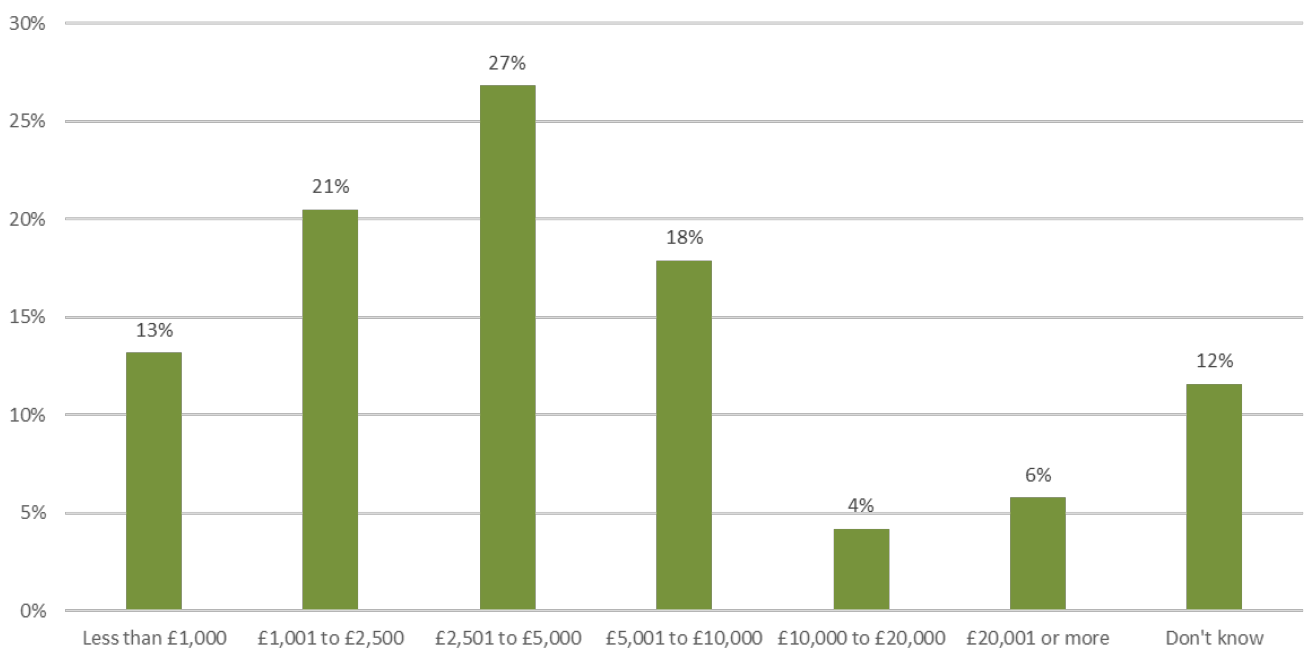


Figure 3.8.3 – Amount spent on planning e.g. advice, application fees etc

The estimated mean amount of spending on planning was found to be around £5,800 with 13% of respondents indicating that they had spent less than £1,000. 6% of respondents had spent over £20,001.

The issue of planning attracted a large number of comments, including:

“Local Authority planning permissions for agricultural building work are painfully slow, and quite frankly the planning system in Wales is ill equipped to deal with the scale of applications that farmers are having to submit to comply with the Regulations. There is no fast track system for slurry storage, building work is becoming harder and harder to carry out due to the unnecessary SUDS drainage plans that have to be incorporated with plans and the cost to a farm business is unsustainable. The whole rural planning system needs a radical overhaul else it will be Councils to blame and not farms for regulations not being met on time”.

“Planning was very challenging and due to these delays costs increased resulting in the grant being smaller than the expected percentage of overall spend”.

“The influence of NRW is adding significant costs and delay in achieving planning permission – all when these applications are for purported betterment”.

“NRW departments not talking to each other and took a long time to respond”.

“Planning needs an overhaul. Very slow response and unnecessarily complicated”.

“It has taken more than 18 months, the communication has been extremely poor. The slurry lagoon should be up now but we have missed the slot with the contractor and are now waiting”.

“Planning policies need to be updated to reflect the rules”.

“Planning should be fast tracked to allow the work to take place”

“Main complexity was the SUDS regulations”.

The costs and difficulties of obtaining planning permission for the infrastructure required to meet compliance with the Regulations continues to be a key concern for farmers across Wales. Farmers cite delays associated with NRW, who all too often input multiple times to the planning portal instead of providing one unified response as a statutory consultee.

The SuDS regulations which are not designed for the rural context add additional and unnecessary costs and burdens on applicants and planning applications are increasingly the subject of local resistance and objection even where the proposals deliver environmental ‘betterment’. The planning system also appears inconsistently applied across LPAs.

A Wales wide review of planning including SuDs and other guidance⁸ impacting planning applications is urgently needed. New planning guidance must be issued to Local Planning Authorities and NRW to ensure that planning applications for the infrastructure required to achieve compliance are enabled. The aim must be to streamline the process and reduce the cost and burden on applicants undertaking work on farm to meet regulatory requirements and for environmental betterment.

A system to share best practice across LPAs should also be developed.

NRW should review its systems and processes as a statutory consultee so that it provides one unified response to planning applications.

⁸ For example, NRW’s Ammonia Screening Guidance.

3.9 Record keeping

Calculations and records form a significant part of the regulatory requirements. The survey, therefore, sought views on this aspect of the Regulations, presented in Figure 3.9.1 below:

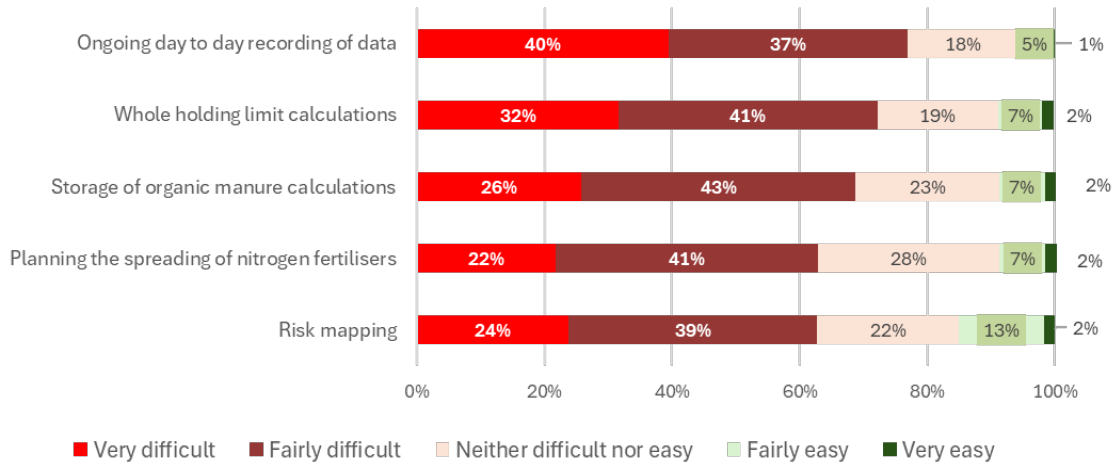


Figure 3.9.1 – Ease / difficulty of record keeping requirement

- 77% of respondents found the ongoing day to day recording of data very difficult or fairly difficult; just 6% found this fairly easy or very easy.
- 73% of respondents found planning the spreading of nitrogen fertilisers very difficult or fairly difficult;
- 69% identified that the storage of organic manure calculations were very difficult or fairly difficult;
- 63% of respondents found that the whole holding limit calculations were very difficult or fairly difficult; and,
- 63% of respondents indicated that the risk mapping was very difficult or fairly difficult.

Respondents were asked if they required the assistance of an advisor / consultant to help with the record keeping requirements, as shown in Figure 3.9.2 below:

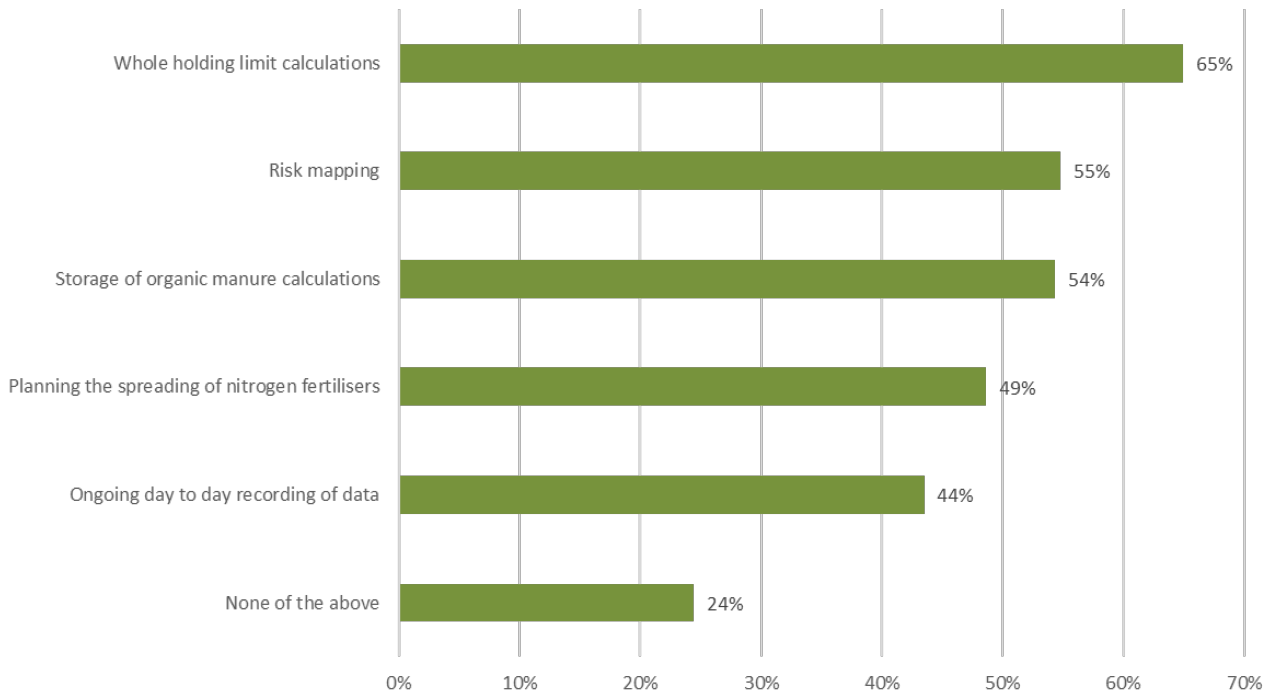


Figure 3.9.2 – Need for advisor / consultant assistance with record keeping requirements

Over three quarters (76%) of respondents indicated that they required the support of an advisor or consultant to assist with the record keeping elements of the Regulations. Less than one quarter indicated that they did not need assistance.

Of those respondents who needed assistance, 65% needed support with the whole holding limit calculations; 55% with risk maps; 54% with manure storage calculations; 49% with planning the spreading of nitrogen fertilisers. 44% needed support with ongoing day to day recording of data.

The survey asked respondents what level of benefit there was from various aspects of the record keeping requirements. The results are shown in Figure 3.9.3 below:

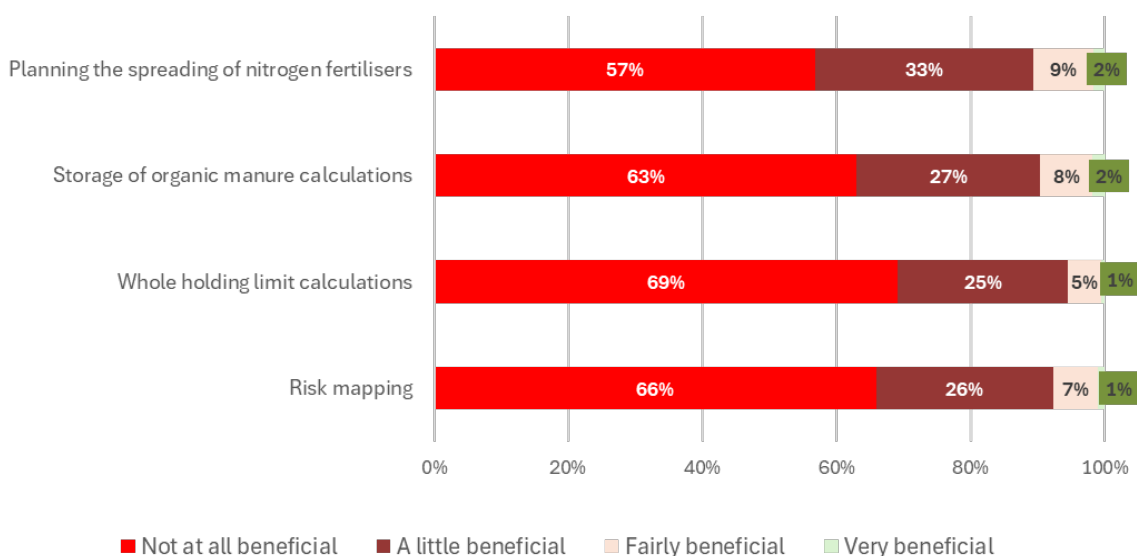


Figure 3.9.3 – Level of benefit from record keeping

The majority of respondents indicated that there was no benefit at all from the record keeping requirements of the Regulations.

- 69% said that the whole holding limit calculations were not beneficial at all
- 66% said that the risk mapping requirement was not beneficial at all
- 57% said that the record keeping requirements around planning the spreading of nitrogen fertilisers were not beneficial at all.
- 63% said that the storage of organic manure calculations were not beneficial at all

This aspect of the Regulations attracted a large volume of comments, including:

“Just more paperwork, not worth the paper it’s written on”.

“A lot of it is unnecessary”.

“Yet another piece of form filling which takes time and resources with little benefit to me”.

“Its another task you have to complete. The workbook is not easy to navigate either. More time spent on record keeping, trying to juggle that with the work on farm is very stressful”.

“Very onerous and time consuming on top of all the work we already have to do”.

“Complicated and confusing and very time consuming. Would be beneficial if there was a paper workbook available”.

“It is extremely difficult to keep on top of all the record keeping. I have completed the online government recognised workbook but constantly worry in case I have missed something. It will be very stressful when I get the first inspection as there is a lot to lose if you have made a mistake”.

“I am so nervous of the risk map and the spreadsheet – I find it hard to face in fear of getting it wrong”.

“Most farms in Wales should be exempt from any records. There should be a threshold on stocking density before records are implemented”.

“We are a small farm and I use the Government supplied spreadsheet for my record keeping. I consider myself a competent user of Excel but find it difficult and cumbersome to complete this spreadsheet”.

“Whilst I find the Welsh Government electronic workbook useful for keeping all the scheme requirements in one place, the workbook should be updated to be more use to farmers. The planning sheet should show the total N and not just the available N from planned applications so the plan can be amended to avoid going over the 250 kg/Ha limit per field”.

“There should be an online system we can use to produce the risk maps and the excel spreadsheet. The field data is all on RPW online so WG should have a system that collates the livestock numbers and field data and allows farmers to simply input the extra data needed to produce the calculation. Too much has been put on farmers when WG already hold the majority of this data”.

“The template given is very challenging to use and the figures required aren’t in a format we use day to day. It’s another paperwork burden in already a challenging time with no financial reward for doing so. Very reluctant to use a consultant and spend more money again. It would be a lot more useful and less stressful if it was a simpler system”.

“I’m flat out caring for livestock. The records have caused high anxiety, I don’t want to break the law”.

“Poorly planned and implemented spreadsheet”

“Risk maps should be available via RPW online”.

“The workbook is badly written and the need to frequently cross check with RB209 is cumbersome”.

The farmers surveyed, therefore, identify no discernible advantage to undertaking the record keeping.

The longstanding concerns about the complexity of the record keeping requirements associated with the Regulations are also highlighted with every farmer in Wales required to undertake draconian record keeping irrespective of farming sector and scale and / or the water quality within their catchment.

These records, known to be highly complex, are subject to inspection by NRW and are included within the cross compliance regime, with farm support subject to penalties if breaches are identified.

Overall, the record keeping is adding cost and complexity and contributing to high levels of stress and anxiety within farming families.

Simplification of the record keeping requirements is essential and Welsh Government should commit to establishing a working group with industry representation aimed at improving and streamlining the record keeping requirements at the earliest opportunity. This should include consideration of all guidance, workbooks and the risk mapping requirements together with a review of the penalty matrix and verifiable standards.

The excel workbooks are not fit for purpose and Welsh Government should develop appropriate software including a mobile phone app to aid farmer record keeping.

There should be an exemption from record keeping for all farms below a certain stocking density and / or that do not produce or utilise organic manures with high nitrogen content.

Rather than penalties, there should be a greater use of warning letters with the opportunity provided to rectify paperwork errors that have no impact on water quality.

The record keeping requirements associated with the Regulations needs to be considered in the context of the wider burden on farmers. NFU Cymru is calling for the establishment of an Independent Review Group to consider the cumulative burden of regulations and policies on Welsh farm businesses, also taking into consideration the wider economic and political context.

3.10 Support – advice, guidance and grants

Respondents to the survey were asked to rate the performance of government and its agencies in terms of providing sufficient advice, guidance and grant support to aid compliance with the regulations; whether they had needed the support of an advisor / consultant to provide infrastructure related advice or the enhanced nutrient management approach; and, the overall cost of advice or consultancy (excluding planning).

With respect to the performance of government and its agencies in terms of providing advice, guidance and grant support, the response is summarised in Figure 3.10.1 below:

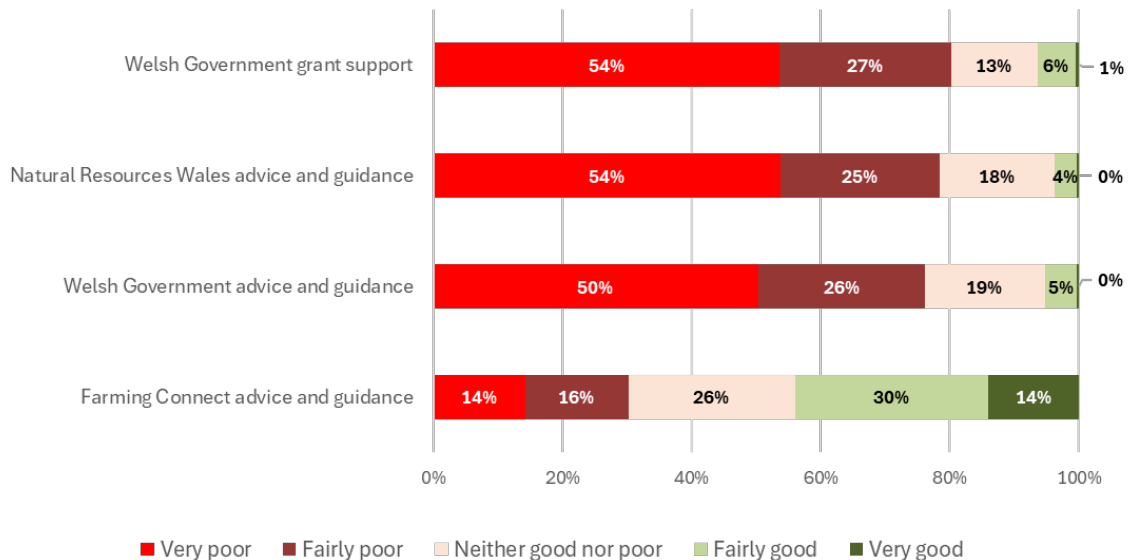


Figure 3.10.1 – Rating of government and its agencies in terms of providing sufficient advice, guidance and grant support

The vast majority (81%) of respondents felt that the grant support offered by Welsh Government to aid compliance with the Regulations was very poor (54%) or fairly poor. Similarly, 79% of respondents identified that the advice and guidance from NRW was very poor (54%) or fairly poor, with 76% of respondents identifying that Welsh Government's advice and guidance was very poor or fairly poor.

Farming Connect fared better with 44% of respondents identifying that Farming Connect advice and guidance was fairly good or very good, compared to 30% who described it as very poor or fairly poor.

The survey asked if respondents had required the support of an advisor or consultant to assist specifically with slurry, manure and / or infrastructure advice or the Enhanced Nutrient Management Approach to allow farmers to operate above the 170 kg/N/ha limit from livestock manures in 2024.

72% of respondents indicated they needed to have advice and support for either slurry, manure and / or silage storage infrastructure and / or the Enhanced Nutrient Management Approach. In terms of the costs of the advice, the results are presented in Figure 3.10.2 below:

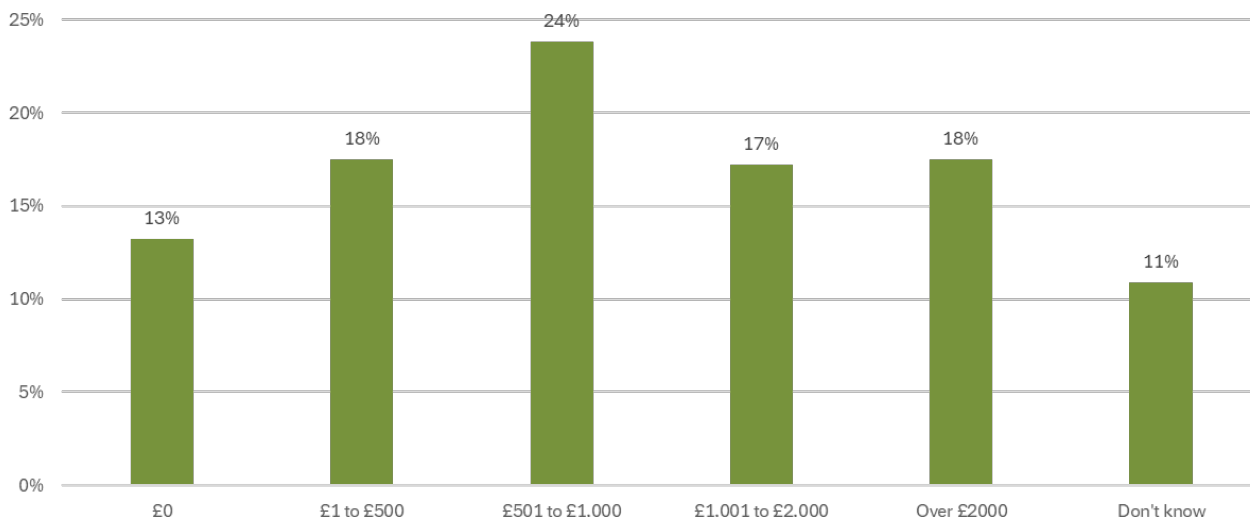


Figure 3.10.2 – Advice and support required to assist with Regulations (infrastructure and Enhanced Nutrient Management Approach)

The estimated mean amount of spending on advice or consultancy (excluding planning advice) was around £1,125. 18% of respondents had spent over £2,000.

NFU Cymru’s recommendations around investment support are made earlier in this report. However, the results presented in Figure 3.10.1 above again emphasise the shortcomings in the investment ‘offer’ that Welsh Government has made available to support compliance with the Regulations.

This aspect of the survey also sends a clear message about the standard of advice and guidance provision from Welsh Government and NRW.

The results need to be considered within the context of the [Regulators Code](#) which requires regulators to provide clear information, guidance and advice to help those that they regulate meet their responsibilities. It is clear that an increased focus is needed on advice and guidance so that it better meets the needs of farmers.

The implementation of the Regulations needs to shift to an advice-led approach reflecting the sheer complexity of the requirements farmers are being asked to meet. There should be continued funding of Welsh Government’s own Farm Liaison Service and Farming Connect – with a specific focus on ensuring there is capacity and appropriate expertise to meet demand.

NFU Cymru would also advocate the establishment of a Farm Liaison Service within NRW mirroring the valuable service provided by Welsh Government and focussed on advice and guidance rather than enforcement.

In line with Welsh Government’s Digital Strategy, a specific focus is also needed to support farmers that are digitally excluded.

3.11 Inspections

The survey asked respondents if they had received an inspection for the Control of Agricultural Pollution Regulations and, those respondents who had been inspected, were asked to rate a number of aspects of the inspection process. 29% (118) of respondents reported they had received an inspection.



Figure 3.11.1 – Rating of inspection process

In terms of the respondents' ratings of the inspection process (shown in Figure 3.11.1 above):

- 56% of those inspected identified that the advice and guidance they received during inspection was very poor or fairly poor.
- 55% of respondents identified that the post inspection follow up was very poor or fairly poor.
- 44% of those inspected felt that the inspector's overall attitude was very poor or fairly poor, 17% identified this was fairly good or very good;
- 42% felt that the inspector's understanding of farming was very poor or fairly poor with 25% identifying this was fairly good or very good;
- 39% felt that the inspector's knowledge of the regulations was very poor or fairly poor with 32% identifying that the inspector's knowledge of the regulations was fairly good or very good.
- 36% of respondents identified that the pre-inspection advice and guidance was fairly good or very good, with 37% identifying that it was very poor and fairly poor.
- 30% of respondents identified that the notice period provided before inspection was fairly good or very good with 35% of respondents identifying that this was very poor or fairly poor.

Comments related to inspections from respondents included:

“Given these are new regulations, NRW should provide more help with, for example, the recording of nutrients”.

“Inspector had no idea of agriculture or farming practices. Not enough knowledge on the record keeping and the RB209. All photographs and information passed back to senior management to make decisions on breaches. Timeframe to rectify breaches of a week was not enough”.

“Suggested better to get rid of cows, seemed to have a dislike of large dairy farms, almost seemed disappointed when we complied with the 170 kg/ha”.

“The rules are seen as black and white and do not reflect the actual risk to water quality on each farm”.

“They need to be able to speak Welsh, the inspector didn’t understand farming and made us spend money unnecessarily to prove that our store was suitable”.

“The inspector was very pleasant came with a clipboard and camera....found it belittling and intimidating. We were worried before he came, didn’t sleep the night before, felt sick after he left and very worried about our future”.

“We think the inspection was fine but haven’t heard anything since the visit a month ago”.

“Would rather the first inspection be an advisory visit with follow-up inspections if required”.

“They tell you one thing and then when they give you the report they tell you something different”.

“This has and continues to add a lot of additional financial burden on the farming business. This has and is having a detrimental effect on my mental health. This is one part of farming that is making me question my future in the industry as my mental health and long hours of working can’t copy with much more”.

“Overall a very stressful experience from the preparation beforehand and the completion of the paperwork”.

The inspections of the Regulations are undertaken by NRW who have a funded service level agreement with Welsh Government. It is also important to note that NRW is also the delegated agent for Cross Compliance SMR1 and, as such, is obliged to report the outcome of any CoAPR inspection to Rural Payments Wales.

Reports provided by NRW on the inspection findings (based on inspections undertaken between November 2023 and June 2024) highlight that 63% of the 372 farms inspected were found to be non-compliant with one or more of the regulatory requirements. NFU Cymru is clear that levels of non-compliance reflect a systematic failure in the design of the Regulations that must be addressed through the review process.

Our comments relating to farmer wellbeing are set out later in this report. However, the need to ensure that the regulatory and inspection burden associated with the Regulations does not add to levels of stress and anxiety and have a detrimental impact on farmer mental health cannot be overstated.

In this context, NFU Cymru is very keen to ensure farmers receive all the support, advice and guidance they need in relation to the Regulations (as highlighted above).

The implementation of the Regulations needs to shift from an enforcement to an advice led approach – a response that is proportionate to the risk.

As previously proposed by NFU Cymru, a Memorandum of Understanding (MOU) between the regulator and the sector should be developed to establish protocols around inspections.

There must be a greater use of warning letters, advice and guidance to rectify issues as opposed to the application of automatic penalties and deductions to farm support payments.

Farmers should be informed of any issues on the day of the inspection and it should be standard practice to provide and leave on the farm clearly documented inspection feedback for the farmers information.

Farmers should not be required, as a matter of course, for their records to be taken off farm by the inspector.

The practice of issuing NRW Code B notices on arrival at every inspection should be discontinued.

3.12 Nitrogen limits

Part 2 of the Regulations establish a total nitrogen limit from livestock manures for the whole holding (the N limit). This is set at 170 kg/N/ha and the survey sought to understand the number of businesses impacted by this limit, also seeking feedback on actions that have been undertaken to reach compliance for those businesses impacted.

38% of respondents reported having been impacted by the 170 kg/N/ha limit from livestock manures. This increased to 69% of dairy farms that participated in the survey. The range of actions taken by farmers is presented in Figure 3.12.1 below:

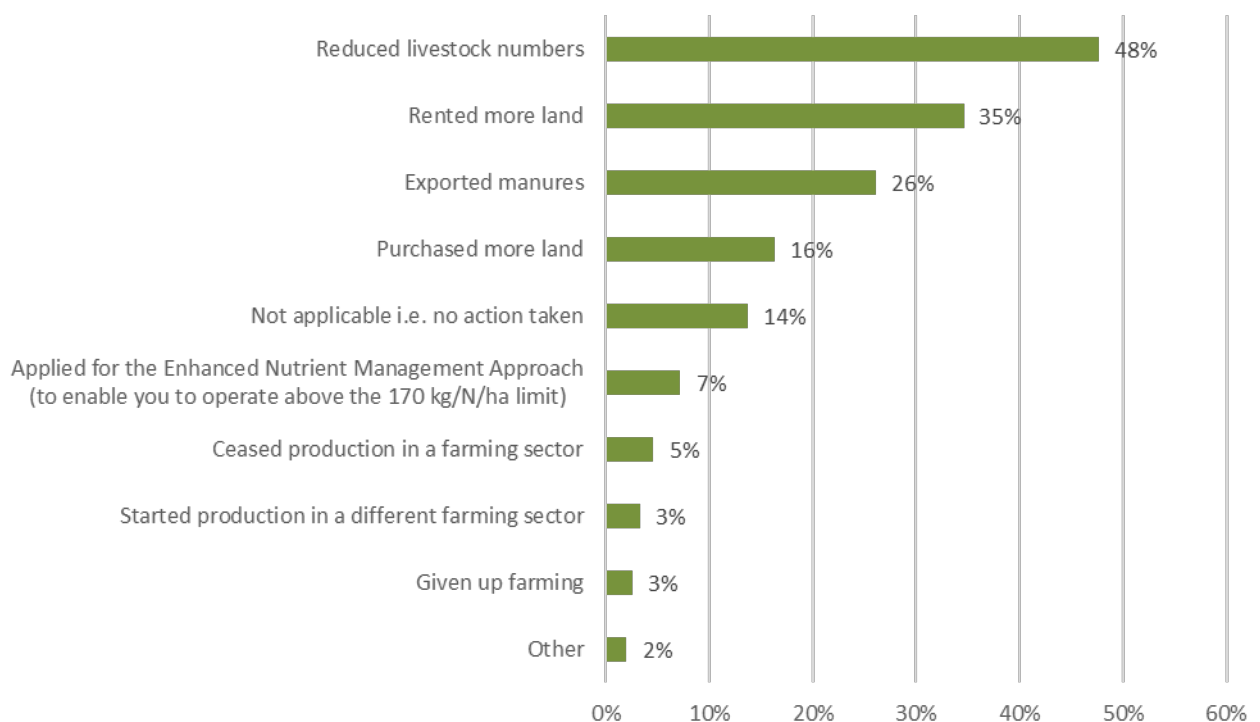


Figure 3.12.1 – Actions taken to comply with the 170 kg/N/ha limit

Almost half of those impacted by the 170 kg/N/ha limit from livestock manures indicated that they had reduced livestock numbers to reach compliance with the Regulations. 35% had rented more land with a further 16% identifying that they had purchased more land. Over a quarter (26%) had exported manures. 5% of those impacted by the 170 kg/N/ha limit had ceased production in a farming sector, 3% had given up farming altogether.

Almost 60% of the respondents impacted by the 170 kg/N/ha limit identified that the N limit needed to be set at 250 kg/N/ha or above not to have an adverse impact on their farm business.

For 2024, Welsh Government introduced an Enhanced Nutrient Management Approach allowing farmers to operate above the 170 kg/N/ha to a maximum of 250 kg/N/ha subject to additional requirements. Just 7% of respondents indicated that they had applied for the Enhanced Nutrient Management Approach. This was cited by many as unworkable, very complex and difficult.

Comments from respondents on the N limit and the Enhanced Nutrient Management Approach included:

“It is prohibitively low. The lazy blanket approach taken by NRW and Welsh Government has completely missed the target. We rent our farm and are also stuck with TB. We need to carry more replacement heifers than we would want (35% replacement rate as opposed to 25%), this impacts on our stocking rate and therefore our N limit. It has had a detrimental impact on our profitability....we cannot simply acquire extra ground to facilitate the numbers we require. It is in short a perfect storm. The N limit is one of the most damaging rule changes enforced on farmers by any government to date because of poor research and misguided implementation”.

“The 170 limit is far too low”.

“Very complex and difficult to meet the requirements set by Welsh Government”.

“Unworkable”.

“Seems to be set up to catch farmers out”.

“These Regulations will kill livestock farming in Wales”

“The 170 kg/N/ha is a quota on production and has a negative impact on our bottom line”.

“We have had to reduce cow numbers so impacting our income”.

“The 170 kg limit seems arbitrary – doesn’t take into account what the land is being used for and what type of land it is”.

“If the 170 kg limit stays we will have to cut the animals by 43%. Won’t be viable if this happens”.

“The farm is milking 120 average yield grazing cows rearing own replacements. Home grown silage is the primary forage source, with a sustainable nutrient cycle using the farm produced slurry as the main source of nutrients with optimised application timing by having a 5-month storage capacity. The current regulations' loading limits mean the farm is in breach of regulations. To comply, 500,000 gallons of slurry (and its valuable nutrients) would have to be exported. The farm has a crop requirement for these nutrients to produce the forage and contribute to overall nutrient balance, however in this situation the farm would have to resort to buying in these nutrients in a form of fertiliser, having consequential detrimental effects on carbon footprint and other environmental ambitions”.

The feedback provided to the survey reinforces the evidence from farmers and the supply chain received previously in relation to the 170 kg/N/ha limit which operates as a 'de facto' stocking limit requiring destocking on many Welsh farms with impacts to farm viability, critical mass within the supply chain and employment. The N limit also undermines Wales' natural advantage of a temperate climate and extended grazing season and the ability of farmers to produce high quality protein off grass, forcing greater utilisation of inorganic fertiliser to meet crop need.

The 170 kg/N/ha limit from livestock manures is having widespread detrimental impact on dairy farming in Wales with some beef and sheep enterprises also directly and indirectly affected, for example, through a reduction in the availability of winter sheep grazing on dairy farms.

Faced with the 170kg/ha N limit, farmers operating above this level have few practical options available to them. This includes:

- Increasing the spreading area; manure must either be exported from the farm for spreading elsewhere or more land must be acquired (subject to availability and with accompanying costs). Additional land is unlikely to be available in the immediate vicinity, consequently, the Regulations are likely to lead to an increase in the number of blocks of land, increasing associated biosecurity risks. This will also result in increased agricultural road traffic as manure / slurries will be transferred between blocks of land / premises. Farms under TB restrictions will generally be unable to export slurry from their holding.
- Reduce the stocking rate - the stocking rate must be reduced to meet the available spreading area per livestock unit (either by acquiring more land (by buying it or renting it) or reducing animal numbers).

The farm level impact is shown in the case study of a typical family dairy farm below:

Farm case study:

Farm stats:

- 100 hectares
- Milking 200 Holstein/Friesian cows plus followers
- Grass-based system with 55% milk from forage
- Profitable dairy farm, supporting three families

170 kg/ha N limit impact

- Based on current stocking levels on the holding the total N loading from manure is 249 kg/ha
- To achieve compliance with the 170 kg/ha N limit, cow numbers will need to be reduced to 135.
- At the same yields, milk production will drop from 1,261,500 litres to 946,000 litres – a reduction of 26%
- Gross margins are reduced by 26%
- Profitability drops by 46%

The 170 kg/ha N limit and associated reduced stocking rate results in a negative cash flow position for the business with the loss of one or more jobs. The business will be unable to generate sufficient profits to invest in infrastructure to meet NVZ storage requirements, even

if Welsh Government grant support is available. Milk production is reduced by 26% with consequences for the pre and post farm gate supply chains.

The 170 kg/ha N limit also places limitations on the production of grass, adding to production costs through increasing reliance on manufactured fertilisers.

Given the Regulations apply across the whole of Wales, the potential production impact of the 170kg/ha N limit on the dairy industry in Wales has been modelled by AHDB Dairy.

Based on figures in Schedule 1 of the Regulations, AHDB Dairy have determined that the average stocking density would need to be no more than **2.13 animals per ha** including all dairy animals. This equates to a Livestock Unit (LU) stocking rate of **1.67 LU per ha**, on the basis of the current age structure of the Welsh herd.

The average stocking density for dairy farming in Wales currently is not known, although comprehensive information on this was collected for the Welsh Conditional Aid (WCA) programme (relates to 2015/16).

Based on the WCA data, the average stocking density on Welsh farms in 2015/16 was **2.56 animals per ha**. Applying this to the weighted N produced from the current Welsh herd would suggest **204kg of N is produced per ha**, above the new limit of 170kg of N per ha by 20%.

To meet the new limit of 170kg of N per ha, the stocking density would need to reduce by 17%, when accounting for all animals.

Assuming that the stocking density is lowered strictly through reducing the number of animals in the enterprise, this would lead to an equivalent reduction in milk production of 17%, equating to **336m litres⁹**.

Impact on Dairy Farms:

- No. of dairy producers – 1490
- Total adult dairy herd in Wales (over 2 years)- 252,200
- Milk production in Wales – 2 billion litres annually
- Data collected for the WCA programme showed the average farm uses 3 ½ staff – this equates to a full-time worker for every 48 adult cows
- This suggests that a 17% reduction in cows would mean a labour requirement reduction of 894 people. This is based on the assumption that every farm would be able to remain viable and continue in milk production on the lower cow numbers, lower milk production and resultant loss of income. This is unlikely to be the case so the job losses could in fact be much higher.

There is a corresponding impact on the supply chain as demonstrated by Farmers Guardian in their [article](#) highlighting the concerns of South Caernarfon Creameries on 17th August 2022. Based on high level analysis undertaken by the co-operative which takes 150 million litres of milk annually from 147 suppliers in Mid and North Wales it has been suggested that overall milk volumes in Wales could be slashed by up to 27%. Alun Wyn Jones, the Managing Director suggested that this could wipe £20m off the annual turnover of the business putting jobs and investment at the business at risk.

⁹ Based on cow numbers and yields for the 2021/22 season. Yields for Wales are calculated based on estimated Welsh milk production and BCMS figures for the Welsh milking herd.

For information, the Aberystwyth Farm Business Income 2023 /24 Results published in December 2024 for the accounting years between 31st December 2023 and 31st March 2024 show that the average stocking rate across all Lowland Dairy Farms is set at 2.17 grazing livestock units per adjusted forage hectare of land with the top third of farms having a stocking rate of 2.38. This shows that the impact of the de-facto stocking limit is impacting on the most efficient and productive farms in Wales.

A long-term sustainable solution is now urgently needed to allow farmers to operate above the 170 kg/N/ha limit from livestock manures from 2025 onwards. It is essential that the bureaucratic burden associated with the Enhanced Nutrient Management Approach, is addressed by Welsh Government.

The Regulatory Impact Assessment undertaken by Welsh Government on the economic and environmental impact of the 170 kg/N/ha limit should be published without delay.

Welsh Government should publish the scientific rationale for applying the 170 kg/N/ha limit from livestock manures in Wales.

There should be a specific exemption provision within the Regulations to the 170 kg/N/ha limit for farms under bovine TB restriction.

4 Farmer wellbeing

NFU Cymru is acutely aware that this is a time of unprecedented change for the farming industry with concerns over new policies and regulations, market instability and escalating costs which can be overwhelming for some farmers. The health and wellbeing of farmers is a source of considerable concern to us through this extremely difficult and unsettling period.

Problems can arise from financial and emotional pressures, mental or physical health concerns, along with the additional worries associated with weather extremes and disease outbreaks such as a bovine TB herd. As reflected in the response to the NFU Cymru survey, many farmers express anxiety over the sheer complexity of regulation, including the requirements of the Control of Agricultural Pollution Regulations (2021). The fear of being found in breach of the rules is something that keeps farmers awake at night.

Farmers can experience high levels of stress and anxiety and are at increasing risk of feeling at times that life is not worth living. There can sometimes be a sense of isolation and it is tragic that farmers have been identified as an occupational group at increased risk of suicide. Family members, often a source of support, can also suffer from deteriorating mental health and be in need of support.

Whilst farmers take great care looking after their livestock and their land, they can sometimes overlook the importance of looking after themselves. Farmers often tend to keep their worries and concerns to themselves and some still perceive a stigma attached to mental health matters. This can hinder the ability to seek help when it is most needed. It is also a concern to us that there will be a percentage of farming families who do not engage with public bodies, organisations and stakeholder groups and who may live in relative isolation. These families may not realise that there are charitable bodies that may be able to help them in times of need.

At a time of such upheaval, NFU Cymru stresses the need to work together to make sure that our farmers and their families know that they are not alone and that there is help and support available. The agricultural industry already has a high suicide rate with one farmer a week in the UK taking their own life. This is an alarming statistic that must be halted and reversed. It is imperative that we ensure that any policies and regulations that touch farming families proactively support farmers and do not add to their burden and vulnerability. We are clear that a key objective of the review should be to ease this burden.

In the context of the statutory review of the Regulations, NFU Cymru is clear we have a collective responsibility to prioritise the health and wellbeing of farmers:

The review must take into account the impact the Regulations are having on farmer wellbeing and provide the opportunity to amend the Regulations so they are practical and achievable on all Welsh farms.

NFU Cymru is also calling for the establishment of an Independent Review Group to consider the cumulative burden of regulations and policies on Welsh farmers, also taking into consideration the wider economic and political context.

5 Conclusion and next steps

To conclude, NFU Cymru would place on record our thanks to Dr Susannah Bolton for taking forward this Statutory Review of the Control of Agricultural Pollution Regulations.

While NFU Cymru is clear of the role that farmers have to play in improving water quality in Wales, we are also clear that the regulatory framework introduced by Welsh Government will not achieve this and will have far reaching consequences for farm businesses, the supply chain and rural communities across Wales.

This report presents the findings of new research and sets out the most damaging impacts associated with the Regulations along with our key recommendations for change. We believe the four yearly Review must provide the opportunity to consider the Regulations and amend the legislation so that it is practical and achievable on all Welsh farms.

NFU Cymru would welcome the opportunity to work with Welsh Government to take this forward. The need to resolve the very significant issues identified with the current regulatory approach requires strong leadership. We believe the Ministerial oversight and governance arrangements that the Deputy First Minister has put in place for taking forward the development of the Sustainable Farming Scheme including the Roundtable is a model that should be replicated for the Control of Agricultural Pollution Regulations (2021).

Moving forward, NFU Cymru is committed to working with Welsh Government to ensure that the regulatory approach delivers the outcomes we all want to see including the continued supply of affordable food for all in society, viable farm businesses and thriving rural communities alongside improvements to water quality where these have been shown to be needed.

Annex 1 – Recommendations

Closed periods

- The survey has highlighted farmer concerns that the inflexibility within the Regulations in respect of closed periods inhibit their ability to make decisions about field activities, including spreading, appropriate to the prevailing growing , weather and ground conditions reinforcing NFU Cymru’s long held view that the ‘farming by calendar’ approach does not work.
- Welsh Government should also explore the potential of amending the Regulations to enable a risk assessment approach to spreading during the closed periods, building on the principle established in Cross Compliance GAEC 5 – the rough surface soil risk assessment notification.
- The potential of innovations and technological solutions submitted by the industry under article 45 of the Regulations to facilitate an alternative to a ‘farming by calendar’ approach should also be explored and taken forward.
- The Regulations should be amended to include a provision for spreading during the closed periods in exceptional circumstances. Exceptional circumstances provisions are also needed for those farms impacted by disease outbreaks such as bovine TB.

Crop limits and spreading organic manure – nitrogen limits per hectare

- The feedback reflects frustration that that the Regulations add unnecessary complexity and work against good farm management practice and farmer efforts to reduce the greenhouse gas (GHG) emissions associated with food production by forcing them to utilise inorganic fertilisers to meet crop needs.
- NFU Cymru is clear the regulatory requirements around crop limits needs simplification and the N limits from organic manures need to be amended to ensure the focus is on making best use of organic fertilisers in line with circular economy principles and Welsh Government’s Net Zero ambitions.

Welsh beef sector

- The additional costs and regulatory burden associated with the Regulations are placing increased pressure on the Welsh beef sector with consequences for supply chain and the environment. Moreover quality Welsh Assured Beef with its PGI status is in high demand both for the home and export market.
- A number of recommendations within this report, for example, in relation to record keeping have the potential to ease the burden of the Regulation on suckler herds.
- In addition, NFU Cymru believes that a specific cost benefit analysis is needed to understand the specific impact of the Regulations on suckler cow herds.
- A wider review is needed to ensure policy and regulation measures proactively support the sector.

Investment – slurry, manure and / or silage storage

- Welsh Government must provide appropriate levels of investment support at the earliest opportunity to aid the building of infrastructure in line with the Regulations. This must be a new and additional financial commitment.
- A ‘root and branch’ review of the Welsh Government investment support is urgently needed to consider the overall funding need, grant intervention rates and the application process.

- Part 6 of the Regulations which relate to the storage of organic manure and silage should also be updated. Farms are failing inspections on the requirements of Schedule 5 (Requirement for silos) due to the impracticality of demonstrating compliance with the detailed construction requirements – even where these structures pose no pollution risk.
- Specific flexibility needs to be incorporated within the Regulations for tenant farmers who are unable, through no fault of their own, to reach compliance and where landlords are unwilling or unable to make the necessary investments.

The planning system

- A Wales wide review of planning including SuDs and other guidance impacting planning applications is urgently needed. New planning guidance must be issued to Local Planning Authorities and NRW to ensure that planning applications for the infrastructure required to achieve compliance are enabled. The aim must be to streamline the process and reduce the cost and burden on applicants undertaking work on farm to meet regulatory requirements and for environmental betterment.
- A system to share best practice across LPAs should also be developed.
- NRW should review its systems and processes as a statutory consultee so that it provides one unified response to planning applications.

Record keeping

- Simplification of the record keeping requirements is essential and Welsh Government should commit to establishing a working group with industry representation aimed at improving and streamlining the record keeping requirements at the earliest opportunity. This should include consideration of all guidance, workbooks and the risk mapping requirements together with a review of the penalty matrix and verifiable standards.
- The excel workbooks are not fit for purpose and Welsh Government should develop appropriate software including a mobile phone app to aid farmer record keeping.
- There should be an exemption from record keeping for all farms below a certain stocking density and / or that do not produce or utilise organic manures with high nitrogen content.
- Rather than penalties, there should be a greater use of warning letters with the opportunity provided to rectify paperwork errors that have no impact on water quality.
- The record keeping requirements associated with the Regulations needs to be considered in the context of the wider burden on farmers. NFU Cymru is calling for the establishment of an Independent Review Group to consider the cumulative burden of regulations and policies on Welsh farm businesses, also taking into consideration the wider economic and political context.

Support – advice, guidance and grants

- The implementation of the Regulations needs to shift to an advice-led approach reflecting the sheer complexity of the requirements farmers are being asked to meet. There should be continued funding of Welsh Government's own Farm Liaison Service and Farming Connect – with a specific focus on ensuring there is capacity and appropriate expertise to meet demand.
- NFU Cymru would also advocate the establishment of a Farm Liaison Service within NRW mirroring the valuable service provided by Welsh Government and focussed on advice and guidance rather than enforcement.

- In line with Welsh Government's Digital Strategy, a specific focus is also needed to support farmers that are digitally excluded.

Inspections

- The implementation of the Regulations needs to shift from an enforcement to an advice led approach – a response that is proportionate to the risk.
- As previously proposed by NFU Cymru, a Memorandum of Understanding (MOU) between the regulator and the sector should be developed to establish protocols around inspections.
- There must be a greater use of warning letters, advice and guidance to rectify issues as opposed to the application of automatic penalties and deductions to farm support payments.
- Farmers should be informed of any issues on the day of the inspection and it should be standard practice to provide and leave on the farm clearly documented inspection feedback for the farmers information.
- Farmers should not be required, as a matter of course, for their records to be taken off farm by the inspector.
- The practice of issuing NRW Code B notices on arrival at every inspection should be discontinued.

Nitrogen limits

- A long-term sustainable solution is now urgently needed to allow farmers to operate above the 170 kg/N/ha limit from livestock manures from 2025 onwards. It is essential that the bureaucratic burden associated with the Enhanced Nutrient Management Approach, is addressed by Welsh Government.
- The Regulatory Impact Assessment undertaken by Welsh Government on the economic and environmental impact of the 170 kg/N/ha limit should be published without delay.
- Welsh Government should publish the scientific rationale for applying the 170 kg/N/ha limit from livestock manures in Wales.
- There should be a specific exemption provision within the Regulations to the 170 kg/N/ha limit for farms under bovine TB restriction.

Farmer wellbeing

- In the context of the statutory review of the Regulations, NFU Cymru is clear we have a collective responsibility to prioritise the health and wellbeing of farmers:
- The review must take into account the impact the Regulations are having on farmer wellbeing and provide the opportunity to amend the Regulations so they are practical and achievable on all Welsh farms.
- NFU Cymru is also calling for the establishment of an Independent Review Group to consider the cumulative burden of regulations and policies on Welsh farmers, also taking into consideration the wider economic and political context.