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NFU Cymru Response – Welsh Government Draft Social Partnership and Public Procurement (Wales) Bill

NFU Cymru welcomes the opportunity to respond to the Welsh Government Draft Social Partnership and Public Procurement (Wales) Bill. Our response to this consultation will focus on Chapter 7 of the Consultation covering socially responsible public procurement and our response will be framed in the context of public sector food procurement.

NFU Cymru champions Welsh farming and represents farmers throughout Wales and across all sectors. Our vision is for a productive, profitable and progressive Welsh agricultural industry that delivers jobs, growth and investment for Wales. The importance of the farming industry in rural Wales cannot be over-stated.

Welsh farming businesses are the backbone of the Welsh rural economy, the axis around which rural communities turn. The raw ingredients that we produce are the cornerstone of the £7.5 billion Welsh food and drink supply chain, 229,000 are employed across the whole food and drink supply chain with 78,000 employed in the Food and Farming Priority Sector.

We are proud that the Welsh public associate Welsh farmers, first and foremost, with providing safe, high quality and traceable food and at NFU Cymru we want to ensure that consumers in Wales, the UK and further afield can continue to enjoy and choose the top-quality food that we produce here in Wales. Welsh farmers look after over 80% of the land area of Wales, maintaining and enhancing our natural environment – Wales' key asset. Farming activity supports a diverse range of species, habitats and ecosystems, provides a range of ecosystem services including flood alleviation, carbon sequestration, climate change mitigation; and delivers the significant backdrop for Wales' tourism and recreation sector worth an estimated £3 billion annually. Welsh farmers are key promoters and protectors of our culture, heritage and the Welsh Language.

Overall Welsh farming makes an unparalleled contribution to the economic, environmental, social and cultural well-being of Wales in line with the Well-Being of Future Generations Act summarised in our Welsh Farming: Bringing Wales Together [booklet](#) and [video](#).

We note from the Ministers' foreword that the draft Bill sets out measures to ensure that public procurement is undertaken with consideration to social, economic, environmental and cultural well-being and to provide greater transparency and clarity by establishing socially responsible procurement objectives, in principle and practice, with a focus on outcomes. We note that the Minister highlights this as being "*central to our long-standing commitment to using the power of the public purse to bring about broader benefits to our communities, our workplaces, and our country.*"

We note that the Consultation refers to socially responsible public procurement as *taking action, when purchasing goods, services and works to achieve the well-being goals, and the new fair work*

goal, in order to improve economic, social, environmental and cultural well-being. These matters must be considered throughout the procurement and contract management processes.

NFU Cymru would emphasise the positive contribution that agriculture makes across all seven Well-Being Goals, as set out above and in Annex 1 to this response. This positive contribution can be enhanced significantly by Government and public sector bodies within Wales making a strong commitment to sourcing Welsh food within their procurement policies.

NFU Cymru welcomes the recognition in the consultation of how procurement can be used as a lever to achieve the well-being goals and the new fair work goal.

Welsh farmers produce food to the highest food quality, animal health and environmental standards, procurement tenders should recognise this and ensure that all suppliers as a minimum must adhere to the production standards in operation on Welsh farms.

In our response to the Welsh Government Agriculture (Wales) White Paper submitted on 25th March 2021 we made it clear that NFU Cymru would expect Welsh Government to make firm commitments with regards to the procurement policies of the public sector. We would seek a commitment from Welsh Government that it would put in place measures to ensure that any food procured by the (devolved) public sector from outside Wales is only procured from suppliers who can guarantee that their standards match or exceed the National Minimum Standards that Welsh farmers will be adhering to. Failing to do so would be hypocritical as well as indicating a lack of co-ordination across Welsh Government.

A renewed approach to public procurement would give more citizens the chance to eat healthier, and more environmentally sustainable, food produced by domestic producers and businesses. At a time of acute economic insecurity, public sector procurement policies create an opportunity to utilise public spending to invest in the economy, the environment, and the communities who produce the country's food.

It is of great importance to NFU Cymru that the food that the country produces, is served to Welsh citizens at every opportunity. We believe it is in both the public and the producers' interests that our public sector utilises our world-leading food and farming industry to deliver safe, traceable, affordable, nutritious food.

We are committed to becoming Net Zero by 2040, meaning agricultural production will be a net zero contributor to climate change. Agriculture is uniquely placed to be part of the solution to climate change, as both an emissions source and a sink. NFU Cymru believes that the agriculture sector is part of the solution to decarbonising the Welsh economy. As farmers, we have a responsibility to protect carbon reserves already in our soils and vegetation. Welsh Government will be aware of the strong sustainability credentials that Welsh agriculture already possesses. The recent "Welsh Way" report by Hybu Cig Cymru provided evidence that red meat production is already significantly more sustainable than the global average. Government has a responsibility to support Welsh farmers to achieve its climate change ambitions through its policies, which include its procurement rules. NFU Cymru wants Welsh farming to lead the world in climate-friendly, affordable food, produced to high standards of food safety, animal welfare and environmental stewardship. We are looking to public sector procurement policies to support our ambition through their sourcing policies.

By adopting procurement policies focussing on domestic production public sector bodies can be confident that they are supporting production systems that are committed to the sustainable management of natural resources, reduction of greenhouse gas emissions, and protection or enhancement of the natural environment and diversity (clause f para 91).

The 2013 Welsh Government survey of Public sector food purchasing in Wales estimated total food and drink purchases at £74.4m, the survey estimated that around 33% of total purchases were of Welsh origin, this being defined as produced, purchased or manufactured in Wales. The survey showed a decline in the level of Welsh purchases of 17% between 2009 and 2013. The largest proportion of spend is on meat products representing around a quarter of all purchases in the food and drink categories. In 2013, 40% was estimated to be of Welsh origin; worryingly this was down from 60% in the 2009 survey. Around 66% of fresh milk was Welsh but once again this had fallen from 72% in 2009. Only 34% of dairy products (excluding milk) were known to be of Welsh origin.

NFU Cymru is not aware of more up to date figures in relation to public sector food procurement. We would therefore support proposals in the bill to improve transparency by recording metrics and publishing regular reports sharing good practice and areas where improvements are needed (para 74-point e).

We believe that there should be specific reporting requirement relating to food procurement. The information collected needs to be robust, for example, in terms of the 2013 study, produce of Welsh origin is deemed as being produced, processed or manufactured in Wales. This means primary produce could have been imported into Wales (with no guarantee of the sustainability credentials of that produce) but if any part of the production process was in Wales it could be deemed to be of Welsh origin. As an organisation representing primary producers in Wales NFU Cymru would request that data is collected on the amount of product that has been grown and / or reared on Welsh farms.

Conclusion

Renewed, well-managed, and targeted public sector procurement would give more Welsh citizens the chance to eat healthier, ethically produced, and environmentally benign food produced closer to the point of consumption by our farmers and growers. NFU Cymru believes that the Welsh Government should maximise the opportunity for home produced produce within public sector procurement.

Food and Drink producers in Wales would be most encouraged to see the Welsh Government and all public sector bodies making a stronger commitment towards the use of Welsh food in the public sector. This would have benefits in terms of reducing food miles, job creation and ensuring that the value added further down the supply chain is kept in Wales providing benefits to our communities, our workplaces and our country.

Socially responsible procurement policies must surely have a strong emphasis on the standards associated with food produced here in Wales, food produced by a food and farming community that makes an unparalleled contribution to the economic, environmental, social and cultural well-being of Wales.

Annex 1 - The Contribution of Agriculture to the Well-Being of Wales

The Welsh Government Well-Being of Future Generations (Wales) Act 2015 is designed to improve the social, economic, environmental and cultural well-being of Wales. The Act establishes seven goals that all public bodies, including Welsh Ministers, must work to achieve. The contribution that farming makes to achievement of all seven goals is unparalleled by any other industry, as highlighted in the following below:

Well Being of Future Generations Act: Well-being Goals	NFU Cymru: Agriculture is the Answer
A prosperous Wales	<ul style="list-style-type: none"> • 60,000 employed full or part time in farming in Wales • £1.5bn Gross Output • Farming underpins a food supply chain worth over £6bn • Over 220, 000 people in Wales are employed in the agri-food sectors – that’s 17% of the workforce and Wales’s biggest employer • The Welsh countryside managed by farmers provides the backdrop for the tourism industry worth over £2.5bn • The Welsh agricultural industry is a key generator of wealth and employment for the people of Wales
A resilient Wales	<ul style="list-style-type: none"> • Farmers care for 81% of total land area of Wales – that’s over 1.84m hectares • 600,000 ha of environmentally designated areas • Almost 560,000 ha managed under Glastir Entry Sustainable Land Management Scheme designed to combat climate change, improve water management and maintain and enhance biodiversity • Farming supports a diverse range of species, habitats and ecosystems • Farmers provide a range of ecosystem services including carbon sequestration and management, water quality and water quantity management for flood alleviation • Low carbon, local energy installations have the potential to meet 57% of Wales’s electricity consumption and the evidence shows a large proportion of projects are located within Wales’s rural local authorities • GHG emissions from agriculture have declined by 20% since 1990 and further decreases are being achieved through production efficiency measures • Welsh farmers play a key role maintaining and enhancing our natural environment and supporting the provision of a full range of ecosystem services
A healthier Wales	<ul style="list-style-type: none"> • Welsh agriculture is a key provider of safe, nutritious, high quality Welsh food which plays a fundamental contribution in supporting the physical and mental well-being of the people of Wales • Welsh farmers are known to operate to some of the highest standards of welfare and production in the whole world • Welsh farming also delivers a significant proportion of Wales’s access provision which includes 16000 miles of footpaths, 3000 miles bridleways, 1200 miles of cycle network, and 460,000 ha of open access land • Welsh farming makes a key contribution to the physical and mental well-being of the people of Wales
A more equal Wales	<ul style="list-style-type: none"> • Rural Wales is home to 33% of the Welsh population. • The vitality and potential of rural areas is closely linked to the presence of a competitive and dynamic farming sector. The

	<p>NFU Cymru 'Why farming Matters to the Welsh Economy' shows that each family farm is typically economically linked to some 40-80 other businesses in the region</p> <ul style="list-style-type: none"> • Through direct and indirect employment in rural communities, Welsh farming underpins the rural economy and contributes to a more equal Wales
A Wales of cohesive communities	<ul style="list-style-type: none"> • Local communities in rural Wales are heavily dependent on agriculture for financial and social prosperity. • Leadership and voluntary roles in rural communities • Welsh farmers make a key contribution towards the provision of attractive, viable, safe communities in rural areas
A Wales of vibrant culture and thriving Welsh language	<ul style="list-style-type: none"> • Agriculture has the highest proportion of Welsh speakers of any sector. • Farming is the bedrock of rural communities across Wales which have been shaped by farming activity spanning hundreds of years. Farmers continue to maintain these traditions, preserving rural culture and sense of place • Welsh farmers are key promoters and protectors of our culture, heritage and the Welsh language
A globally responsible Wales	<ul style="list-style-type: none"> • Current levels of self-sufficiency at a UK level are at 62% • Future challenges to our global food production system include climate change, a growing UK and global population, water scarcity. Given its climate and rainfall, Wales is predicted to be an area of favoured production in the future • Welsh farmers have a key role to play feeding the people of Wales and in contributing to global food security now and in the future.