

# Welsh Government Consultation: Brexit and Our Land

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# Brexit and our Land

- NFU Cymru vision
- Brexit and our Land
- Summary
- NFU Cymru initial reaction
- Questions
- Get your voice heard

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# NFU Cymru objective

*Working for a productive, profitable and progressive Welsh agricultural industry delivering jobs, growth and investment for Wales*

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# NFU Cymru - Vision for the future of farming

2017 - Series of detailed policy documents:

- Domestic Agricultural Policy
- Trade
- Labour
- Regulation



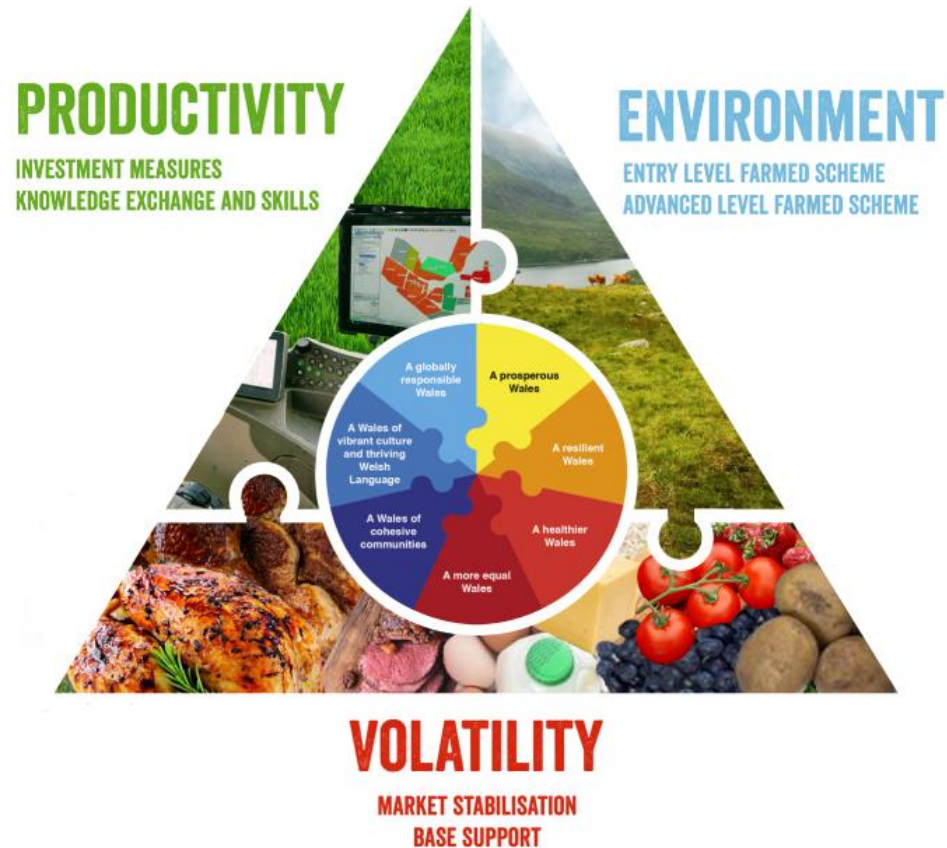
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# A new domestic agriculture policy



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# NFU Cymru key principles

- A policy that **underpins and secures the continued supply of safe, quality, traceable, affordable food for our nation**, in the context of future global challenges, must be at the heart of any future agricultural policy
- All farmers must be **fairly rewarded** for the **environmental/public goods they already deliver and will continue to deliver** in future for society
- Policies must be simple to administer, easy to understand and target support at those **active farmers** who take the financial risks associated with food production
- **Investment measures** are required to ensure that farming businesses are well equipped to face the challenges and **maximise the opportunities** of a post-Brexit marketplace
- The **regulatory regime must be proportionate** and evidence-based and policies must be **adequately funded** to ensure that Welsh farming remains **competitive** with farmers in the UK, EU and globally

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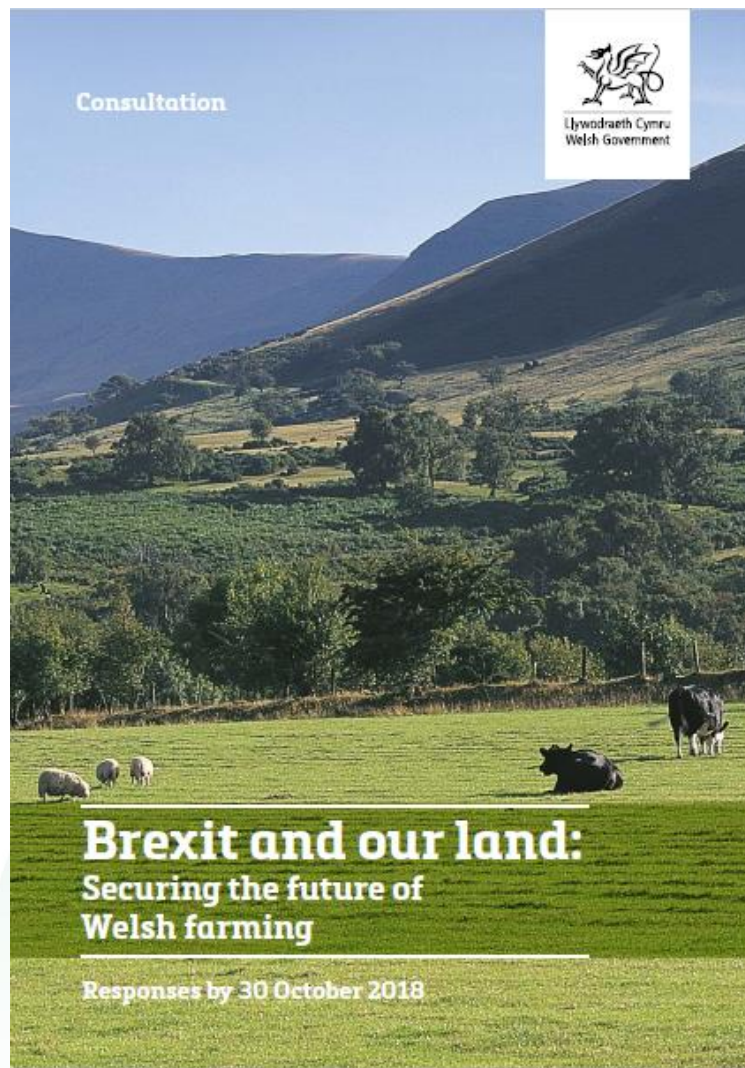


**Land  
Managers**

**Transition**

**Economic  
Resilience**

**Regulation**



**Public  
Goods**

**Land  
Management  
Programme**

**Funding**

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# Land managers

*Within the consultation the term “land manager” and “land management” means farmers, foresters and any other activity drawing on non-urban land to produce goods and services*

*Welsh Government state that this reflects the fact that they are putting in place a land management policy that looks across different land uses and classes*

*The Welsh Government acknowledge that the vast majority of Welsh land managers are – and will continue to be – farmers*

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# Transition

## Welsh Government say:

- CAP insufficiently targeted to support land managers after Brexit
- BPS has not done enough to improve farm productivity
- In environmental terms the CAP has not done enough to take account of the wider benefits and consequences from land management

## Welsh Government's proposal:

- Multi – Year transition period to manage the path to the new land management programme

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# Transition

- BPS 2019 same basis as currently
- Aim to begin the transition in 2020 and complete by 2025
- Important part of FBI so need to be careful, sensitive and clear in how payments are phased out
- Options – reduce in absolute terms, proportionally or capping
- Other possible changes – Greening / Inspection criteria / Cross compliance
- Subject to further detailed consultation
- RDP / Glastir – All commitments in place at the point of leaving the EU will be honoured
- Funding released by BPS and the RDP deployed to fund new schemes

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# Funding

- Welsh Government reaffirm that their ability to plan is hindered by the lack of clarity from the UK Government on funding
- However, once funding is returned, Welsh Government will ensure funds are directed at land management support and not spent elsewhere
- Nevertheless, they say future funding arrangements will be more transparent to Welsh citizens and this will mean greater pressure to justify spending in this area

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# Regulation

Welsh Government believes there is a good case for fairer, simpler and more coherent regulation; however they see the new schemes reinforced by strong baseline standards

## ***One option - Basic Measures***

*Set of basic standards which will define responsible land management. These standards could be derived from appropriate elements of existing codes and regulations including cross compliance where they exist (water, soil, animal health and welfare and air quality objectives). Apply to all land managers and could provide the gateway to the financial support schemes. Already in Scotland and England .*

Welsh Government will bring forward a statement in the autumn on how to approach post-Brexit regulatory reform

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# The case for change

- Consultation acknowledges that the true economic value of agriculture to Wales can only be valued when you also consider its role in:-
  - Welsh Food and Drink Industry
  - Thriving tourism sector
  - Social anchors in rural communities
  - Sustaining the Welsh Language
- Food-producing farms are the core of Welsh land and these businesses must be economically resilient if Wales is to deliver the widest range of environmental and societal outcomes
- CAP is insufficiently targeted to support land managers post Brexit ( it is a payment for holding land)
- BPS not done enough to improve farm productivity
- BPS not done enough to take account of wider benefits and consequences from land management

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# Land management programme

New Land management programme built on Cabinet Secretary 5 Key principles:-

1. Keep farmers, foresters and other land managers on the land
2. Food production is vital for our nation and food remains an important product from Welsh land
3. Reform should be done in a way that builds a prosperous and resilient Welsh land management industry
4. Future support will encompass the provision of additional public goods from land. Welsh Government states that there is no reason why the same farm and same farmer cannot produce both food and public goods – in many cases they already do
5. All land managers should be able to access new schemes

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# Land management programme

Welsh Government propose that the Land management programme will consist of two large and flexible schemes

- The Economic Resilience Scheme – investment in economic activities
- The Public Goods Scheme – direct support for public goods delivery

Strong links between the two schemes

- Designed and implemented in parallel
- Many land managers will benefit from both
- Take account of different ownership / tenure relationships
- Balance of funding for each scheme not fixed
- Something for something

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# Economic resilience scheme

- Targeted investment to both land managers and the supply chain to support high quality food production
- Agricultural Productivity -UK (Wales) not kept pace with other countries
- Many high performing businesses but many with significant potential to improve
- Invest in land management businesses on a scale that has not been possible in the past
- Provide a range of targeted financial support to those with the potential to become or remain viable- the ultimate aim is to help land management businesses stand on their own two feet.
- Invest across the supply chain on the basis of a credible business strategy, assessment of viability and potential for a return on investment
- Recognise importance of quality and standards to underpin 'Cymru Wales' nation brand

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# Economic resilience scheme

## Areas of support

- Increasing Market potential- competitiveness and access to markets
- Improving productivity- Investment in infrastructure and new technology
- Diversification- Advice and guidance
- Effective risk management- Support through skills and greater collaboration. WG state that it is not their role to isolate businesses from normal business risks
- Knowledge exchange, skills and innovation

Fundamentally it is Farming Connect and investment support

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# Public goods scheme

Will enable land managers to be paid for the production of outcomes for which there is currently no functioning market e.g. water quality. Where markets exist e.g. food WG will support those economic activities through the economic resilience scheme

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# Public goods scheme

## Objectives of new Scheme

- New income stream, open to all, paid on outcomes society values
- Contribute to addressing some of societies most pressing problems e.g. climate change, habitat loss, adverse air quality, poor water quality
- Increase rural community resilience by ensuring land managers continue to manage land

Public goods already supported to varying degrees e.g. Glastir, but Glastir restricted to costs incurred and income foregone – insufficient incentive and delivering public goods at a very low rate

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# Public goods scheme

- Multi Year agreements to reflect time needed to deliver meaningful public goods and giving land managers certainty regarding a future income stream
- Support of an advisory team
- Range of options e.g. tree planting, peat bog restoration, nutrient management, restoring floodplain woodlands and grassland reversion.
- Open to all – even a farm that is entirely improved can access particularly if the land manager is willing to change the use of some of their land.
- Additionality - public goods funding will only be available for the delivery of additionality
- Evidence Based – use of spatial targeting, delivery of specified outcome, appropriate baseline and measurement and monitoring (third parties?)

*For some public goods payments will form the foundation or a large proportion of their future business model. WG working closely with the UK Government to ensure these considerations are reflected in the UK's approach to WTO arrangements.*

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# Summary

- No changes to BPS 2018 or 2019
- All current Glastir contracts to be honoured
- Proposed transition from current to new schemes between 2020 and 2025
- Two new over arching schemes: Economic Resilience Scheme and a Public Goods Scheme
- Consultation closes 30<sup>th</sup> October 2018
- Further consultation on Regulation, Transition?
- Detailed consultation Spring 2019

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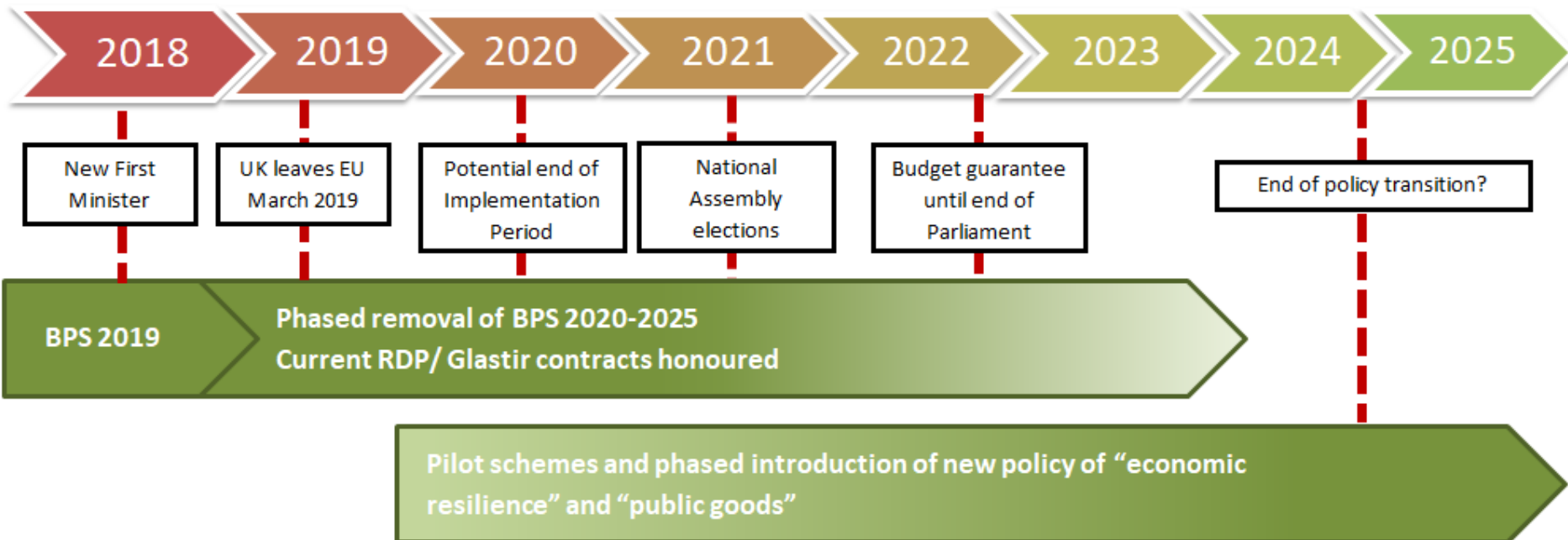
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# Welsh Government proposals : Moving away from the CAP

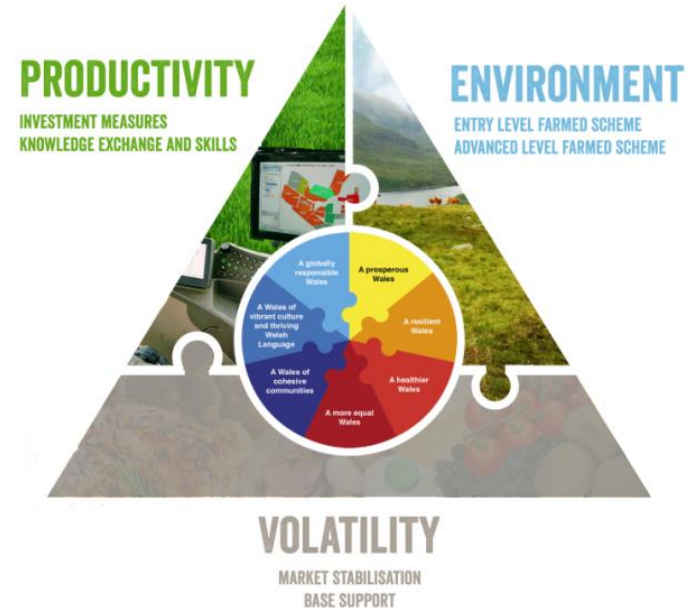
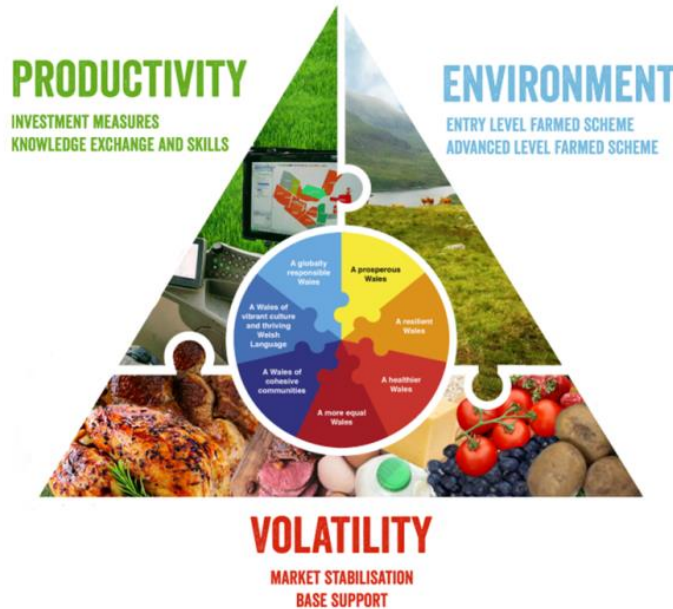


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# NFU Cymru initial reaction

Volatility/ stability  
Welsh food and drink strategy  
Additionality  
Active farmer  
Impact assessment



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# Consultation questions

20 Questions:-

- Do you agree these two new schemes are best way to deliver against Welsh Government principles?
- Does Welsh Government need to take action to ensure tenants can access the schemes?
- Questions on Economic Resilience scheme?
- Questions on Public Goods scheme?
- Transition?
- Impact on Welsh language?

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# QUESTIONS?

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# Get your voice heard

- NFU Member engagement programme
- Political engagement
- Stakeholder engagement
- NFU Cymru website
- Feedback to NFU Cymru
- NFU Cymru Council
- Consultation closes 30<sup>th</sup> October –  
Please respond!



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