



Growing Together

A strategy for sustainably increasing tree cover in Wales



Introduction

Climate change is the greatest environmental challenge facing the world, with many countries now experiencing unprecedented and increasingly frequent extremes of weather. Expanding tree cover is widely advocated as a strategy for climate change mitigation and adaptation. This paper sets out the NFU Cymru position on woodland expansion and includes the key considerations, barriers and opportunities if the challenge of meeting tree planting targets is to be achieved alongside the continued production of high quality, affordable food and thriving rural communities.

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 by 2040.

The ambition for tree cover in Wales

The area of land covered by trees and woodland in Wales has tripled since the 19th century to 306,000 hectares. A quarter of all woodland is located on Welsh farms. Wales also has an estimated 106,000km of hedgerows and the highest proportion of ancient woodland in the UK (as a proportion of total land area) at 4.6 per cent.

In April 2019, Welsh Government declared a 'climate emergency' signalling a greater ambition for climate action. The Woodlands for Wales Strategy aims to increase tree planting to at least 2,000 hectares per year from 2020. The UK Climate Change Committee (UKCCC) 'Path to Net Zero' report recommends increasing woodland cover in Wales from 15% to 24% with a requirement of 180,000 hectares of new planting by 2050 – 43,000 hectares by 2030. In addition, Welsh Government has committed to create a National Forest from the north of Wales to the south.

To put the UKCCC targets into context, the average size of farm in Wales is 48 hectares, so an additional 180,000 hectares would require the complete afforestation of 3,750 farms – almost one quarter of Welsh family farms.

However, the rate of new planting in recent years does not reflect this scale of ambition with just 80 hectares of trees planted in 2019 – reflecting, in part, the level of resources committed by Welsh Government and the bureaucracy associated with the woodland creation scheme.



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Farming in Wales



We have set the ambitious goal of reaching net zero greenhouse gas emissions (GHG) for agriculture by 2040.

Farmers manage over 80% of Wales, playing an irreplaceable role looking after our cherished Welsh landscape and underpinning the £7.5 billion Welsh food and drink sector that employs over a quarter of a million people. Family farms provide an important range of goods and services for society. This includes the management of the natural environment which supports a diverse array of species and habitats as well as underpinning our rural communities economically, socially and culturally – with the highest proportion of Welsh speakers of any sector (43%).

Wales is well suited to food production and, in a changing climate, will increasingly become a country naturally favoured for climate-friendly agriculture. Grass-based production systems predominate producing high quality proteins – red meat and dairy. In the context of predicted challenges to our global food systems, Wales as a globally responsible nation has a duty to continue to contribute to global food security. Resource efficient and resilient domestic food production in Wales plays an important role in limiting our global ecological footprint and displacing the environmental impact of food supply to overseas – where environmental, animal welfare and social standards may be lower.

NFU Cymru recognises that agriculture can play a key role in tackling climate change, uniquely placed as both an emissions source and sink. We have set the ambitious goal of reaching net zero greenhouse gas emissions (GHG) for agriculture by 2040 through a focus on improving farming's productive efficiency; improving land management and enhancing land use to capture more carbon; and boosting renewable energy and the wider bioeconomy.

Already responsible for a critical carbon resource in soils, grassland, wooded landscape and semi-natural habitats, as farmers we recognise there is more we can do and the important role that more trees in hedgerows, woodlands and the wider landscape will play on Welsh farms in the years ahead in achieving net zero and delivering a broader range of benefits to farm businesses, society and the environment.



Key considerations



It is clear there are multiple and increasing pressures on land use in Wales. Welsh land is a finite resource and if climate goals are to be met in ways that are sustainable and fair, Welsh Government must ensure that damaging impacts for farming and our rural communities are minimised. In practice this means moving beyond a binary choice between farming and forestry.

In line with the Well-Being of Future Generations Act (2016) which places a duty on public bodies to improve the social, economic, environmental and cultural well-being of Wales, policies to deliver tree planting targets will need to:

Safeguard our rural communities

The UKCCC recognises that the transition to net zero must spread costs fairly across society. With respect to expanding tree cover, it is not reasonable for Welsh Government to establish targets for tree planting or a National Forest without understanding costs to farming and the food and drink sector, that are central to the Welsh economy and our rural communities.

External investors in commercial forestry are already buying up farms in Wales for afforestation. Natural Resources Wales (NRW) has adopted a policy to acquire land for planting and we understand planting on common land is

also under consideration. Without access to the economic returns, cumulatively these changes have the potential to damage fragile rural economies as the financial benefits are shifted away from those embedded in their rural communities to others who have little or no interest in the well-being of local areas; also diminishing opportunities for future generations to access farming and local housing.

Policies that drive tree planting, particularly where funding exceeds levels of support available for agricultural land, have the potential to impact on tenant farming categorised by short-term tenancies – often less than five years. The

risk of tenancies being terminated or not renewed by landlords to take forward tree planting is significant and deeply concerning.

The transition to net zero must be just and the burden of decarbonisation must not fall unequally on Welsh rural communities. To ensure this, Welsh Government must understand the long-term economic, environmental, social and cultural impacts of tree planting policies through the development of a decision-making framework which delivers a balanced approach. This will be vital to ensure social justice for rural communities so they are safeguarded for the future.

Ensure food security

In line with the Paris Climate Agreement which recognises the importance of safeguarding food security, NFU Cymru believes that the path for farming to achieve net zero emissions, should not be at the expense of food production in Wales and displacing our GHG emissions elsewhere. Climate change will not be halted by limiting food production here and off-shoring it to countries across the world.

The global COVID-19 pandemic has also highlighted that food security and ensuring access to a stable supply of home produced, high quality, affordable food for all citizens is in the nation's interest.

NFU Cymru believes farmers are best placed to manage land for a range of economic and environmental outcomes and we are in favour of approaches that integrate woodland into farming

systems for multiple benefits without compromising farm viability or food production.

NFU Cymru believes mechanisms must be established within the upcoming Agriculture (Wales) Bill to ensure food security and agricultural productive capacity are monitored, maintained and enhanced, alongside other key strategic targets such as climate change.



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Key barriers

Targets for expanding tree cover are hugely ambitious. If the short-term target of 43,000 hectares by 2030 is to be achieved then a shared understanding around the barriers to tree planting is urgently needed.



Economics

Farming is a business reliant on the sale of a range of agricultural commodities produced from the land to derive the income needed to sustain livelihoods and invest for the future. Few farmers can afford to wait for a crop of timber to mature for their income; nor can the many local businesses dependent on farmers for their livelihoods.

As a result, farmers are unlikely to be able to afford to plant trees at scale without appropriate mechanisms to ensure planting and ongoing management costs are met and long-term financial support is provided to enable income to be derived on a regular basis as the trees grow. The economic rationale for tree planting is further undermined where the objective of planting is not commercial conifers and there is no crop to harvest at a future date. Planting of native species offers wider benefits for nature and integrate well into farming systems so needs to be appropriately rewarded.

Policy enablers

Measures to support woodland planting on Welsh farms delivered through the current rural development programme (Glastir) are complex and bureaucratic. Resources allocated to the scheme have not matched Welsh Government's ambition. Payments for planting and ongoing management of tree cover are based on costs-incurred and income foregone calculations and payment rates have been outpaced by increasing costs – fencing materials, labour costs etc.

Land tenure

Nearly 30% of agricultural land in Wales is tenanted and in the majority of cases, tenant farmers are unable to plant trees due to restrictive clauses within their tenancy agreements. Tenancy reform is needed to allow greater flexibility. Policies to deliver tree planting targets must also safeguard tenant farmers. Grazing rights on common land must also be protected

Permanence

The permanence of planting new woodland can present a barrier to engagement in the farming community. Whilst farmers, if properly supported, are prepared to plant trees on what, they identify, as their poorer quality ground, the requirement that areas of woodland cannot ever be returned to agriculture at the end of the life cycle can hinder new planting at scale.

Farmers do not want to restrict land management opportunities for future generations at a time when farm businesses need to be able to adapt and build resilience. There is a need to address this to enable certain trees on suitable sites to be treated in a similar way to a crop and work in rotation on farmland. It is also important to recognise that the permanence of tree planting impacts on the market value of land and devalues the asset.

Risk

Tree planting is not straightforward – successful establishment cannot be assumed. There are a range of issues that can affect newly planted and growing trees not least damage by pests and extremes in weather conditions such as prolonged dry periods – expected more frequently in a changing climate. This exposes farmers with contractual agreements with government or in carbon markets to costly risks and liabilities. Risks need to be fairly shared in future mechanisms for woodland creation.

Disease

Tree diseases such as ash dieback and Phytophthora ramorum of larch are devastating the Welsh countryside and will inevitably lead to the loss of significant tree cover in Wales. Greater support is needed with the costs of removing and replacing diseased trees. Concern over new emerging diseases undermines confidence and is a further potential barrier to tree planting. Moving forward planting design requires an appropriate mix of species and a focus on reducing biological and climate risk.



Key opportunities

Farmers are the solution

With over 80% of land in Wales managed by farmers, NFU Cymru believes farming presents the greatest opportunity, in terms of available land, for new tree planting.

NFU Cymru is supportive of measures that facilitate and reward farmers for additional woodland planting and believe targets for new tree planting must be achieved through integrating trees into farming systems rather than replacing them. Recent research has shown that if just 3.42% of Wales' existing agricultural land was to be used for the establishment of new woodlands (i.e. 1.73 hectares on the average-sized Welsh farm holding), the Welsh Government's lower woodland creation target of 2,000 ha per year – 60,000 ha in total by 2050 – would be met.

We identify that whilst there may be strong resistance from farmers to planting trees on their best land and the loss of farms for complete afforestation is highly emotive, many farmers are enthusiastic about increasing tree cover at an appropriate scale on what they would identify as their less productive land.

Future schemes for woodland creation should reward farmers to deliver a wide range of public benefits from land that continues to be farmed productively by enabling farmers to:

- Plant hedges, shelterbelts, streamside corridors, gullies and field corners with a mixture of native trees and shrubs and conifer species.
- Establish woodland planting at field scale on land of low agricultural and habitat value.
- Manage existing woodland and hedgerows and associated habitats on farm to improve condition and provide an economic return.

Welsh Government must also reward other important carbon sinks such as soils, peatlands and grassland. Suitable management of grassland can improve above ground productivity and lead to enhanced root biomass, and therefore greater amounts of below ground carbon storage.

Right tree, right place

NFU Cymru supports the policy principle of the 'right tree in the right place', both now and in a changing climate. When considering appropriate tree planting, farmers will need to consider a range of issues to ensure it makes sound business sense in the short and long-term such as the planting objective, scale, location, local conditions including climate and soil type as well as the requirements of the market.

A decision-making framework is needed to guide planting decisions, especially for large scale planting to ensure the area is appropriate for trees recognising the importance of food production now and in the future as well as the well-being of rural communities. This framework should also ensure past mistakes are not repeated such as planting on peatlands and other habitats as well as acidification of our rivers.

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Planting for multiple benefits

NFU Cymru encourages Welsh Government to recognise the importance of trees in the wider landscape which can contribute multiple benefits including carbon sequestration, biodiversity, landscape character, flood alleviation whilst also contributing to food production goals. Trees and hedgerows offer a multitude of benefits to farm businesses including acting as boundary features, livestock barriers, biosecurity and shelter and shade for livestock. Other benefits could also include the production of fruit or additional income streams, such as commercial woodlands. However, the economic rationale for planting still needs to be there, recognising the market failure that exists for a range of public goods such as biodiversity.

Agroforestry

In the broadest sense, agroforestry includes hedges through to single and small groups of trees on farm that work with the farm business/food production. There is some resistance to the term agroforestry amongst the farming community. This is partially as a result of the lack of an universally accepted definition and general confusion around what it encompasses.

However, with the right policy measures and incentives in place (as described above) the establishment and management of trees in hedgerows and wider agroforestry offers significant potential for increasing tree cover on Welsh farms and climate change mitigation. Also offering benefits to farming systems such as shade and shelter for livestock in a changing climate.

Future policy

Future policy should facilitate additional tree planting on Welsh farms through a properly resourced and simple to apply for scheme which rewards planting of new hedges, streamside corridors, shelterbelts, field corners, gullies and field parcels. The management of existing farm woodlands and hedgerows for the carbon they sequester and the biodiversity benefits they provide should also be incentivised. These features are already mapped and provided to Rural Payments Wales on an annual basis – an approach that, we believe, should evolve to determine public goods delivered at the farm level in future.

The scheme should not be the mechanism to drive land use change.

Alternative funding streams

Payment for public goods should be clearly linked to a robust carbon price rewarding the carbon storage achieved. The development of alternative funding streams should also be encouraged.

We need a simple but robust monitoring and reporting framework for all scales of planting that will in turn

give farmers and investors' confidence and security. Contracts must be clear and transparent and fairly reflect the longevity of the commitment and NFU Cymru believes there are merits for allowing public and private funding to be blended. Existing woodland should be eligible to tap into future carbon markets.

There is an ethical question around making land available for tree planting in Wales to meet the off-setting objectives of others, for example, large corporations. Whilst contributing to Wales' tree cover targets, this approach would inevitably bring negative economic, social and cultural as well as environmental consequences for Welsh rural communities, whilst allowing these corporations to continue 'business as usual'. Carbon trading with other sectors could also stand in the way of Welsh farms achieving their own net zero targets.

Domestic sapling supply

NFU Cymru recognises the importance of supporting the supply of home-grown saplings which will play a crucial role in preventing the importation of devastating pests and diseases, provide planting stock suited to local conditions as well as benefits for the Welsh economy.

Research and development

Tree planting decisions need to be underpinned by robust scientific evidence and further research and development is needed in the following areas:

- The role that forestry and farm woodlands play in carbon sequestration including the emissions and sequestration levels of different types throughout the life cycle – establishment, management and harvesting which results in the release of greenhouse gases.
- The various factors that will impact on tree planting decisions in the

future, such as climate change and plant health.

- The carbon sequestration potential across varying types of land use. It will be crucial that regional variations in farm practices are accommodated through flexible approaches to carbon storage and farmers have access to the information they need to make the right decisions for their business.
- Wales based research into the benefits and best management practices around agroforestry.
- Opportunities for plant breeding to increase resistance to pests and diseases.
- The potential for reducing the environmental footprint of plastics associated with tree planting.



Key asks

Farmers are ready to play their part and are ambitious for the future working towards the goal of net zero agriculture by 2040 and producing the most climate-friendly food in the world. However, the transition to net zero and targets for tree cover must be progressed in a way that safeguards the multiple economic, environmental, social and cultural benefits that Welsh farming provides. NFU Cymru is calling for:



- The establishment of a Just Transition Commission to ensure the burden of decarbonisation does not fall unequally on our rural communities.
- A decision-making framework to guide land use change decisions so that the long-term economic, environmental, social and cultural impacts can be properly assessed.
- The development of mechanisms within the Agriculture (Wales) Bill to ensure food security and our agricultural productive capacity are monitored, maintained and enhanced alongside other strategic targets.
- Appropriate mechanisms to deliver long-term financial support to farmers that move beyond costs incurred, income foregone calculations and allows for a regular income to be derived from on farm woodland.
- Tenancy reform to allow tenants to benefit from tree planting at an appropriate scale and safeguards for tenants and commoners so they are not removed from the land.
- Flexibility so that land planted with trees does not need to remain so in perpetuity.
- Mechanisms that recognise the risks associated with new planting and planting design that reduces biological and climate risk.
- Future schemes that are properly resourced and simple to apply for to fairly reward farmers to increase tree and hedgerow cover on Welsh farms at a range of scales also incentivising management practices that optimise carbon storage potential of soils, peatland, grassland as well as existing tree cover.
- Mechanisms that ensure the economic rationale exists for woodland and tree planting of species for multiple benefits.
- Payments for public goods linked to a robust carbon price rewarding carbon storage achieved for new and existing woodland as well as the potential for blended public and private funding.
- Support for further developing the supply of home-grown saplings in Wales.
- Tree planting decisions based on robust scientific evidence and investment in research and development.

Sign-up to the NFU Cymru #GrowingTogether Pledge

NFU Cymru believes agriculture is uniquely placed to be part of the solution to climate change and that climate goals should be met in ways that are sustainable and fair. Tree planting targets should not be achieved through a binary choice of farming or forestry, instead Wales' ambitious targets should be progressed in a way that safeguards the multiple economic, environmental, social and cultural benefits that Welsh farming provides.

If you agree and want to see more trees integrated into farming systems rather than replacing them please sign-up to our **#GrowingTogether** Pledge where food, farming trees, nature, landscapes and our rural communities all thrive.

#WeAreWelshFarming
#GrowingTogether

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