

VISION FOR THE FUTURE OF FARMING



A REGULATORY REGIME THAT'S FIT FOR PURPOSE

Delivering for farmers and for the public

INTRODUCTION

Of all the issues which NFU Cymru identified as policy priorities during the Brexit process – labour, trade, agricultural policy and regulation, it is perhaps the last of these, regulation, which is the most complex and nuanced, cutting as it does across all three other areas. The issue of regulation and who will get to make the rules post-Brexit has also acquired a political dimension, with the publication of the European Union Withdrawal Bill placing a significant strain on relations between Governments in Cardiff and Westminster.

Our compliance with EU legislation and the rules of the CAP have been fundamental to our participation in the Single Market, and trade with the rest of Europe. EU legislation has impacted extensively on the fields of the environment and agriculture, with the Cabinet Secretary, Lesley Griffiths estimating there to be as many as 5000 pieces of EU derived legislation in her portfolio alone.

Regulation emerged as a distinct theme during NFU Cymru's discussions with members both before and after the referendum. There is now an opportunity to re-think regulation and set out our own vision of the new regulatory landscape, as part of our ambition for a productive, profitable and progressive farming industry that delivers jobs, growth and investment for Wales; ensures the highest standards of protection for the environment, for animal health and welfare and for the public, and crucially positions Wales as a country of high quality products based around a strong natural asset base; central to underpinning our 'Brand Wales' concept.

In Wales, key drivers will include the new legislative frameworks established by the Well-Being of Future Generations Act which places a duty on public bodies to work to improve the economic, environmental, social and cultural well-being of Wales together with the Environment Act which puts in place a framework for a more integrated approach to managing our natural resources to achieve long-term sustainability.

The new regulatory environment will also be shaped by a need to ensure that any regulatory divergence from future trading partners does not run the risk of making future trade impossible.

Over the coming years, Government needs to strike a fine balance between regulatory reform and regulatory stability, and this, the fourth of our Vision for the Future of Farming reports sets out how this might be done, and highlights some of the key issues that lawmakers need to consider when deciding whether or not to legislate.

To be clear, farmers recognise their responsibilities to the environment, their animals and to the consumer. NFU Cymru are strong advocates of appropriate interventions where poor practices are at fault, but wherever legislation is deemed appropriate it should be proportionate, evidence based and as light-touch as possible. It has been our experience that the most effective outcomes are based on approaches that are voluntary, evidence-based, provide local solutions to local problems and developed by working in partnership with the industry. Such approaches resonate strongly with the ways of working established in the new Acts.

HOW DOES REGULATION IMPACT FARMING?

Regulation is something which has become part and parcel of modern farming. Over the course of more than 40 years of EU Membership, agriculture has probably been more exposed to EU law-making than any other sector of the economy. Our departure from the EU offers us an opportunity to review much of that regulation and to devise a regime that is fit for purpose.

Good regulation balances the fundamental value of an economic activity with appropriate controls which ensure that the risk of any harm is minimised. Poor regulation imposes burdens on business which are disproportionate to any benefits derived, these burdens add to costs, place businesses under competitive disadvantage and may deter businesses from undertaking activities which are valuable to society.

Poor regulation is a leading cause of frustration amongst NFU Cymru's members, and it is typically cited as one of the top reasons for lack of farm business confidence amongst the Union's membership. Often when our members talk of the regulatory burden, their frustrations will typically relate to factors such as the poor design and operation of the regulatory regime, the failure of regulatory bodies to talk to one another, and the disproportionate level of penalties rather than the existence of regulation per se. There is therefore significant scope to see the design and implementation of the regulatory regime improved.

Given the significant extent to which EU regulation impacts and shapes farm practice, it is unsurprising that farmers have over the last four decades experienced their share of bad regulation, and NFU Cymru has been at the forefront of calls to reform and improve poor regulation and regulatory practices. Whilst our frustrations are often directed at the European institutions who devise and formulate regulation, it is sometimes the case that European derived regulation has been enhanced and added to at the domestic level through a process commonly known as 'gold plating', a practice which has added to the regulatory burden, and one we have consistently argued against.

The exclusion from Basic Payment Scheme eligibility of areas with tree densities equating to 100 trees or more per hectare is an example where we believe the Commission delegated regulation has been interpreted more strictly in Wales than in some other countries.

The Nitrates Directive is a piece of deeply unpopular EU legislation which was introduced with the aim of reducing the level of nitrates in groundwater and surface water from agriculture. Further designation of Nitrate Vulnerable Zones in Wales will impose a significant cost and bureaucratic burden on farmers. The Directive's prescriptive rules on the steps that farmers should take to tackle nitrate pollution are out of line with farm practice and actual conditions and do not result in the optimal environmental solution. Key concerns can be broadly categorised as costs associated with designation – both upfront in terms of slurry storage and ongoing; demonstrating compliance with the NVZ Action Programme; together with concerns about restrictions on day-to-day farming operations. Fundamentally, whilst farmers recognise their role in contributing to water quality improvements, the approach adopted by the Nitrates Directive fails because there is a failure to consider and address all the issues within a catchment.

Regulations governing the electronic identification of livestock have proven very challenging for Wales' sheep sector, particularly the requirements around mandatory individual movement recording of sheep and goats. The UK requires that readings of sheep tags are 100% correct, which is very difficult to achieve in practical situations. Other Member States operate a system of tolerances for individual reads, with France for example expecting that 90% of readings are correct.

Over forty years of European Union membership means that a huge variety of farming activity is impacted and shaped by European Union derived legislation. The breadth of this legislation covers everything from renewable energy, to nitrate levels, to the identification and mandatory individual movement recording of sheep and goats.

ENERGY TAX DIRECTIVE
(EC 2003/96)

RENEWABLE ENERGY DIRECTIVE
(EC 2009/28)

HABITATS DIRECTIVE
(EEC 92/43)

BIRDS DIRECTIVE
(EC 2009/147)

MAXIMUM LEVELS FOR CERTAIN CONTAMINANTS IN FOOD
(EC 1881/2006)

REGULATION ON PLANT PROTECTION PRODUCTS
(EU 1107/2009)

VAT DIRECTIVE
(EC 2006/112)

MARKETS IN FINANCIAL INSTRUMENTS DIRECTIVE
(EU 2014/65)

NITRATES DIRECTIVE
(EEC 91/676)

DRINKING WATER DIRECTIVE
(EC 98/83)

WORKING TIME DIRECTIVE
(EC 2003/88)

DRIVER CERTIFICATE OF PROFESSIONAL COMPETENCE
(EC 2003/59)

IDENTIFICATION AND REGISTRATION OF OVINE AND CAPRINE ANIMALS
(EC 21/2004)



KEY ISSUES IN DESIGNING A BETTER REGULATORY ENVIRONMENT

When it comes to regulation, NFU Cymru's key principle has been that Wales' regulatory landscape must be overhauled, voluntary approaches adopted wherever possible, and regulation introduced where other approaches have failed. Improving and overhauling the regulatory landscape needs to encompass a wide range of actions from reducing or rationalising the regulation that we already have, to designing and implementing a better regulatory regime. More fundamentally it should also include a presumption against creating regulation as a first resort, and consider instead innovative ways of delivering the desired outcomes

In building our new regulatory environment we need ways of working which are different, for example partnership working and voluntary measures, which still allow the sector to deliver the outcomes that society wants and expects. We need to put science and evidence at centre stage, with sufficient weighting given to actual, rather than theoretical risks of harm. The terms and conditions which will come attached to the receipt of future support for agriculture need to be relevant to Wales, and crucially they need to be underpinned by a regime of proportionate oversight. We also need a regulatory environment which is stable, reflecting the complex needs of a sector which has long term production cycles.

Ways of working differently

After Brexit there should be greater use of partnership and voluntary measures, and a shift in emphasis towards outcomes.

After Brexit, we believe there is scope to do regulation differently, in fact in terms of our environment, Wales' Environment Act 2015 gives us the very opportunity to do so. The Act revises the purpose of Natural Resources Wales to pursue the sustainable management of natural resources and ways of working and also empowers Ministers to suspend statutory requirements for experimental schemes. This could for example include the greater use of partnership and voluntary measures, working with the various sectors through the use of farm assurance schemes, earned recognition, and the making of sanctions for regulatory breaches, proportionate to the seriousness of the breach.

We note that NRW has established a number of regulatory principles, one of which is the use of the full range of tools available to deliver the outcome sought. We emphasise there are a spectrum of approaches available to deliver the desired outcomes for the environment and society. This should start with providing advice and guidance together with appropriate incentive mechanisms including grants. Participation in assurance schemes and earned recognition have a clear role to play and in the context of the environment, novel approaches include trading, off-setting or payment for ecosystem services which look beyond formal regulation to deliver the desired outcomes. We are clear that the best outcomes will be delivered by adopting a range of approaches alongside a backstop of regulation.

Similarly, voluntary attendance at meetings run by the Welsh Government Farm Liaison Service, farming connect, farming unions etc. should also feed in to the concept of earned recognition, with those who have made the time to come to a meeting and having listened to the latest scheme rules and policy developments deemed less likely to fall foul of the regulations, and therefore should be less likely to be selected for inspection.

Effective regulation delivers the outcomes that society wants and expects. When it comes to sheep, the outcome that we want from tagging and recording sheep movements is to allow for the rapid tracing of sheep movements, in the event of an outbreak of notifiable disease. In a disease outbreak we are looking to trace links between holdings through tracing the movement of sheep in batches. The regulatory insistence on recording individual sheep identities does nothing to deliver an improved outcome in this regard, whilst imposing a significant burden on the sheep keeper.

Glastir provides an example of a scheme in which rigid demonstration of compliance with administration appears to have been given precedence over the delivery of outcome, so much so that scheme participants are so concerned with proving compliance to scheme rules, that it overshadows the importance of the outcomes which the scheme should deliver.

We would like to see better communications between regulators so that they are aware of all information that is being issued to farmers, and that they do not inadvertently create a significant, cumulative burden of communication to farmers. Letters that are issued by Welsh Government are often difficult to understand, they need to be written in plain English or Welsh

There is also scope for better communication and sharing of information between various bodies with a regulatory or quasi-regulatory role, including Welsh Government, the Food Standards Agency, Natural Resources Wales, Local Authorities and the various farm assurance bodies.

By providing farmers with a clear explanation of their inspection programmes, farmers can better prepare for the inspection day, and in so doing speed up the inspection process. The Welsh Government 'When the inspector calls' guide developed in partnership with the industry is a good example of clear and helpful information for farmers.

Science and Evidence

NFU Cymru is firmly of the view that regulatory and policy decisions should be based on the most robust scientific evidence. The recent, manufactured controversy over the re-authorisation of glyphosate is something which left many farmers questioning the ability of the European institutions to act objectively and resist the politicisation of the decision making process. When it comes to science and technology, the highly politicised and often dysfunctional decision making of the European institutions has brought the whole process into disrepute and led to Europe falling behind much of rest of the world. We must not replicate these failings when we leave the European Union, and we should seize the opportunity of our departure from the EU to put sound science back at the heart of the decision making and regulatory process.

Regulatory and policy decisions should be firmly and consistently based on science and evidence.

A renewed focus on science and evidence means that desired outcomes are achieved and unintended consequences are avoided, the public can have confidence in the regulation, and farming businesses have the certainty of workable, enabling rules which give them the confidence to invest for the future, in accordance with the ways of working identified in the Environment Act 2016

A retained, balanced precautionary principle should encourage an innovation friendly environment that delivers benefits for business, the environment and society.

Retaining a balanced Precautionary Principle

The precautionary principle, referred to, but not defined in European Union treaties has a number of potential interpretations. Broadly it means that where there exists the suspected risk of causing harm (for example to human, animal or environmental health) from pursuing a certain course of action, and scientific knowledge on the matter is not sufficiently developed, decision makers must take steps to protect against such risks, which can include precautionary bans.

The use of the precautionary principle in environmental regulation has been a particular issue for agriculture. Whilst a precautionary approach to avert harm is sometimes reasonable, NFU Cymru believes that the principle has often been poorly interpreted, sometimes used to justify an approach to potentially harmful activity that considers only its hazard or theoretical harm without giving sufficient weighting to the actual risk. Regulation founded in the precautionary principle then ends up overlooking risk assessment or risk management and ends up stifling innovation.

The precautionary principle has impacted the availability of plant protection products such as fungicides, herbicides and insecticides. The current EU regime has seen many vital products lost to farmers, even when it has been shown they are used properly and with minimal risk to the environment and the public. It has led to huge costs of bringing alternative products to market, and the reduced range of products available has led to increased dependence on fewer products. This has had the unintended consequence of accelerating the development of resistance in target species.

Post Brexit, there is an opportunity to adopt a different approach by improving the application of the principle, by for example ensuring that it does not grant excessive discretion to decision makers on its application (which can lead to inconsistencies), and devising a definition of the principle which strikes the correct balance between protecting against harm whilst ensuring that we do not deter innovation.

We are pleased that the principle of innovation is supported through the Environment (Wales) Act 2016 which gives powers to suspend statutory requirements for experimental schemes and powers to NRW to conduct experimental schemes. We identify that this mechanism has the potential to trial approaches that deliver better outcomes for the environment, economy and society. The effectiveness of constructed wetlands for the control and treatment of yard run-off, lightly contaminated water is one such example.

Cross Compliance

Cross compliance is a European Commission regulatory requirement that farmers have to meet in order to receive the Basic Payment Scheme and Rural Development area based scheme payments such as Glastir. It comprises of statutory requirements as well as obligations created by the competent authority (in Wales, this is the Welsh Government).

The statutory requirements are encompassed by the 13 Statutory Management Requirements. These are existing European requirements covering the environment, public, plant and animal health and welfare standards which apply both to those in receipt of CAP support, and those who do not claim under the CAP.

The obligations created by the Welsh Government relate to standards consistent with keeping land in 'Good Agricultural and Environmental Condition' (GAEC), and concern matters such as protecting soils and restricting hedge cutting. These obligations apply only to those in receipt of CAP payments.

At present, failure to meet any of these cross compliance requirements could result in a financial penalty, which is often out of proportion to the breach committed, and is something which is a frequent cause for complaint amongst our members.

When we depart the European Union the 13 legislative standards could be removed, or reformed if the relevant EU legislation is dismantled or modified, according to the policy priorities of government and considerations around trading partner expectations. Although government is of course likely to make receipt of future domestic agricultural support dependent on the fulfilment of certain terms and conditions, it should not feel bound to follow the legislative standards and GAECs which we currently observe, it should instead work with the industry to devise standards which are relevant to Wales, underpinned by a regime of proportionate oversight.

We note the Welsh Government Consultation – 'Taking Forward Wales' Sustainable Management of Natural Resources' invites views on the role of Basic Measures that provide minimum standards for undertaking specified low risk activities in agriculture for the protection of water, air and soil quality. Whilst Welsh Government has opted not to provide any information on what Basic Measures would look like in practice, the introduction of Basic Measures would effectively result in the introduction of another layer of regulation which would add complexity and administrative burden. NFU Cymru remains opposed to increased regulation of farm businesses and we do not believe this approach aligns to the sustainable management of natural resources and the ways of working enshrined in the Environment (Wales) Act.

After Brexit, government should work with the industry to devise standards which are relevant to Wales and underpinned by a regime of proportionate oversight.

A stable regulatory environment

New legislation should only be introduced when necessary, and in a manner which is predictable, and not prone to sudden departures from accepted norms.

For over 40 years, farmers in Wales and the UK have been governed by legislation emanating from the EU institutions. The complexity of devising and agreeing legislation, across all 28 member states often means that legislative developments can be slow to come about, with significant lead-in times.

When we depart the EU, it will be domestic legislatures that will make the rules under which we operate. As an industry which has to plan for the long term and observe production cycles which can span many years, it can take a long time to reach regulatory compliance. It is vital that any new legislation is only introduced when necessary, in a manner which is predictable, and not prone to sudden departures from accepted norms. NFU Cymru believes that successive governments, in Cardiff and Westminster need to be mindful of the sector's particular need for a stable regulatory environment.

There are very many hundreds of farms which straddle the England/Wales border or may have land on both sides of the border. The future regulatory landscape, and the actions of regulators must take account of the unique needs and challenges faced by such cross border farms.

Proportionality

Compliance and enforcement are key aspects of effective regulations, but they must be proportionate to the size and capacity of a business. Overwhelmingly, farm businesses in Wales are small and medium sized enterprises (SMEs) and as such do not have structures, such as compliance departments, available to them in order to ensure that they comply with legal obligations. For example pig and poultry farming businesses are captured by the same requirements as multinational companies under the Industrial Emissions Directive, which seeks to limit pollutants from industrial installations. While SMEs ought to play their part in reducing emissions, the burden of doing so needs to be proportional to their ability to bear the financial costs of compliance.

Our members frequently raise with us the level of penalties to which they are subject for quite minor technical and administrative breaches. Where such breaches do occur, there needs to be greater sophistication in the application of sanctions. A breach which is a minor non-compliance, or purely procedural in nature, should see guidance, advice and warning letters used as a first resort, before any recourse to enforcement action.

We also need to ensure that when we design regulation, that decisions are taken in full possession of the facts. The production of a regulatory impact assessment when proposing a new policy should be integral to informed decision making, helping strike an appropriate balance between the fundamental economic value of an activity on one hand, and appropriate controls on the other to minimise the risk of any harm. The Welsh Government's consultation regarding Nitrate Vulnerable Zones was an example of where a regulatory impact assessment was not produced and we would question the validity of the process on that basis.

It is NFU Cymru's view that Comprehensive RIAs should provide an effective and dependable evaluation of the costs and benefits of each and every piece of regulation, and should also take into account factors such as any skills and training, or investment support farmers would need to undertake in order to meet these regulatory proposals.

Regulation must take into account the capacity of farm businesses to comply, and the proportionality of penalties for non-compliance.

THE CHALLENGES AND OPPORTUNITIES FOR BETTER REGULATION

NFU Cymru believes that Brexit provides an opportunity to rethink the way in which farm businesses are regulated, and to follow the principles for improvement that we put forward in this paper. In terms of regulation, our departure from the EU in March 2019 presents a two-fold challenge, the need to legislate for Brexit by converting and preserving the bulk of EU law into domestic law, and introducing standalone pieces of legislation followed by the subsequent review and adaptation of the post-Brexit regulatory environment to support productive agriculture.



Transferring law from the EU to the UK

The European Union Withdrawal Bill, published in July 2017, is the vehicle by which the bulk of EU law will be transferred into domestic law, into what will then be known as 'retained EU law' at the moment of exit. Therefore upon our departure from the EU, individuals and organisations will become subject to this body of 'retained EU law', essentially the same rules and regulations which existed before exit day. The European Union Withdrawal Bill will also repeal the European Communities Act 1972, end the supremacy of EU law in the UK, and end the jurisdiction of the European Court of Justice in the UK.

Although it is understood that the European Union Withdrawal Bill is not a vehicle for bringing about substantive changes in regulations, any opportunities to improve the functioning of retained law should be taken where possible.

The introduction of the EU Withdrawal Bill has led to some well publicised tensions between the UK Government and the Governments in Edinburgh and Cardiff. The current devolution settlement constrains the powers of the National Assembly for Wales quite significantly in that it may not legislate incompatibly with EU law. With the repeal of the European Communities Act 1972, this constraint will fall away, and powers presently exercised at EU level (relating to matters within devolved competence) would in the absence of primary Parliamentary legislation to the contrary, flow back to Edinburgh, Cardiff and Belfast.

Clause 11 of the European Union Withdrawal Bill deals with devolution and provides that those powers which would otherwise, by default, be absorbed by the devolved administrations, are in effect re-directed to the UK Parliament. Clause 11 does this by modifying the Government of Wales Act 2006, so that the National Assembly, cannot after 'exit day' amend the body of retained EU law, leaving the Westminster Parliament as the only legislature able to amend this body of retained EU law.

This proposal to move powers into the centre has been described by the Devolved Administrations as a 'land grab' on the part of the UK Government. The alternative view is that the current prohibition in the devolution settlements on legislating contrary to EU law has merely been substituted with a prohibition on legislating contrary to the body of retained EU law, meaning there has been no diminution of devolved competence.

It is the stated intention of the UK Government that some of these retained powers, (e.g. those which are not needed for the development of UK frameworks) will be handed back to the devolved administrations.

Other Brexit related legislation, which has not yet been introduced to the UK Parliament, but which is likely to be of direct relevance to farm businesses will be the Agriculture Bill which it is thought will provide frameworks for a domestic agricultural policy to replace the CAP on a UK wide basis, as well as the Immigration Bill, the Trade Bill and the Customs Bill. Where any of these bills that are yet to be introduced impinge on devolved competence, they are also likely to give rise to tensions between London and Cardiff.

The European Union Withdrawal Bill is very important to the sector, as it will give on-going effect to EU legislation which currently impacts on farm businesses. NFU Cymru's position has been, and remains, that where common UK wide frameworks are needed these should be arrived at through the mutual consent of the governments of the UK's home nations.



Reviewing regulation post-Brexit

NFU Cymru acknowledges that our future relationship with the EU, and in particular our future trading relationship, is something which will have a very significant bearing on the regulatory regime under which Wales' farmers operate. We also note that many complained about regulations derive from international obligations (for example OIE rules on livestock) whilst others are domestic in origin (for example sows and tether) and have been assimilated into EU legislation, and there are of course instances of EU derived legislation which has been augmented (i.e gold-plated) by UK Governments.

NFU Cymru believes agriculture and food production should be a priority area for post Brexit regulatory review. We urge our Governments to set out proposals and timelines for reviewing regulation in a systematic and comprehensive manner.

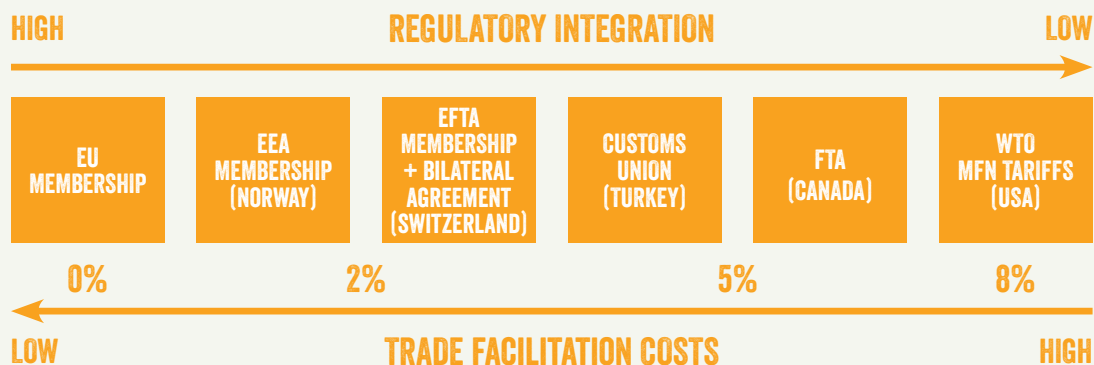
It is also important to note that the effectiveness and workability of regulatory regimes post-Brexit will rely as much on their enforcement, implementation and interpretation as the letter of the law itself. There will be a number of instances, even where existing EU law is transferred intact into UK law, operation of the subsequent regulatory framework can be undertaken in a way that leads to better regulation for farmers. For instance, under the current Plant Protection Products approvals regime, it should be possible to take a distinct approach to how draft guidance documents are used in assessing pesticide approvals, prior to making any changes to the regime itself, which could improve the availability of important products to farmers and growers. We urge government to start work now, in partnership with industry, in identifying ways of improving the functioning of existing regimes once we leave the EU.

Whilst Brexit will shine the spotlight on EU-derived regulation, opportunities to improve purely domestic legislation should not be overlooked. For example, strengthening the powers of the UK's Groceries Code Adjudicator to tackle unfair trading practices, improving agricultural tenancy arrangements, reviewing the six-day standstill, or enforcing greater transparency of the pricing of carcasses could all form part of a holistic regulatory review and will be important in delivering our vision of a productive, profitable and progressive Welsh agricultural industry.



Ensuring balance with other priorities: trade and high standards

As a general rule, the more similar regulation is between nations, the more easily trade flows between them. This regulatory equivalence will be a key element in securing future trade deals with partners such as the EU, something that NFU Cymru has set out as a priority in our trade policy vision. The greater the regulatory divergence, the greater the trade facilitation costs that are incurred. This is particularly true of trading relationships between the EU and third countries.



In 2016 the UK exported £13.8bn worth of food and non-alcoholic drinks, with roughly 70% going to the EU, under a tariff-free, single regulatory regime that ensures minimum and harmonised standards throughout the bloc. Trading partners outside of the EU must ensure that the EU's standards are met and that the regulation in place to achieve this is fit to do so, something which EU auditors monitor. If regulation on production standards changes so that UK produce no longer complies with EU standards, this could lead to goods being unable to reach the EU market. Equally, if regulation is modified so costs are greater for UK farmers, this could make them less competitive on the EU market.

A globally responsible Wales should not export impacts of food production to other parts of the world where environmental and animal welfare standards are lower. In the future our global food production system will be increasingly challenged as the impact of climate change increases. As the UK and global population grows, there will be more competition for land, water and energy and increasing demand for high quality diets. As a result, Wales is set to become an area favoured for agricultural production with an increasingly important role in securing food supplies for our nation and providing consumers with access to high quality, nutritious, affordable food. 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.

We do not want to see internal distortions within the UK market for trade in agricultural produce, and it is vital that, for example, different rules or standards in one of the home nations does not prejudice the UK's ability to secure future trade deals

Beyond the EU market, regulatory equivalence must also be considered as the UK seeks to replicate existing free trade agreements we are party to as an EU Member State. Equally, the UK has the opportunity to adjust production standards to bring it more into line with other trading partners to better facilitate the movement of goods and services, although doing so may have other implications for UK agriculture, for instance opening domestic markets to overseas products that do not currently have a foothold here .

Ease of trade is clearly an important consideration to take into account as we review and adjust our regulatory environment post-Brexit. However, we strongly believe that regulations can be different, yet equivalent and therefore better without jeopardising trade.

In matters of the environment and public health, Wales' farmers comply with some of the most stringent rules in the world. Whilst this can add cost burdens to farm businesses, it can also help producers command a premium on both EU and global markets for a number of commodities. It also helps engender consumer trust in food produced domestically.

During the European Union Withdrawal Bill process and further down the line, changes in regulation must not unnecessarily undermine these standards. Although NFU Cymru recognises that these standards are essential to achieving a market for our products, and provide opportunities, such standards do come at a cost.

Government needs to protect our own high standards by ensuring that imports are only allowed into the UK if they have been produced to the same or equivalent standards.

Whilst NFU Cymru believes that implementation or certain aspects of regulations can be designed in a better way, the environmental and public health protections that many regulations seek to achieve must not be overlooked. Not only are these protections crucial in and of themselves, they also underpin the value of our produce and the high levels of public trust placed in it.

Designing a new regulatory landscape with the focus on achieving outcomes that support Welsh farmers to produce the raw materials for a growing and dynamic multi-billion pound Welsh food and drink industry whilst ensuring that farmers are properly rewarded for the delivery of a broader suite of landscape and environmental goods and services will be crucial to implementing the 'Brand Wales' concept. This concept proposes one brand that unifies the full range of goods and services provided by Welsh farming as part of a wider integrated strategy encompassing food and tourism to help attract inward investment to Wales and to help sell Wales to the World. The development of this concept is central to our vision for a productive, progressive and profitable agricultural industry in Wales.

NFU CYMRU KEY POLICY ASKS

- ✓ Our withdrawal from the EU provides an opportunity to **review the regulatory environment** under which farming operates, and to devise a **regulatory regime that is fit for purpose**, and effectively **supports a productive, profitable and progressive** agricultural sector whilst **protecting the environment, animal health and welfare and the public**.
- ✓ The EU Withdrawal Bill process must provide as much certainty to business as quickly as possible. Therefore the Bill must be fully **transparent, subject to proper scrutiny, and respect the devolution settlements**.
- ✓ Both immediately after Brexit and beyond, regulatory regimes implemented in the UK must ensure appropriate levels of **regulatory equivalence** and **staffing** with trading partners to **maximise the potential and fairness of trade** in British produce with the EU and globally.
- ✓ As regulation is amended or created, **impact assessments** must be carried out to gauge the effect on farm businesses. How regulation improves or damages the performance of businesses should be a key indicator considered in all regulation.
- ✓ **Science and evidence** must be at the heart of policy and decision making to ensure a regulatory environment that has a long term vision to and provide **stability and certainty** for farm businesses.
- ✓ **Proportionate, risk-based approaches** across the spectrum of regulation should be pursued to **encourage innovation and improve competitiveness**.
- ✓ Farmers that demonstrate they present a low risk of infringing on rules, and those that go further through voluntary schemes should have this **effort recognised** when compliance with regulation is being assessed. **Earned recognition** should therefore feature in the design and implementation of future regulation.
- ✓ Farm regulatory visits need to be better co-ordinated and planned across different regulatory agencies to **reduce overlapping, duplicated checks** and be overall **more proportional**. **Greater data and information sharing** between regulators and third party voluntary schemes will enable regulators to identify and **focus their efforts** on where there is greatest risk of non-compliance.

Published by:

NFU
Agriculture House
Stoneleigh Park
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September 2017