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WWF Cymru's response to the Economy, Trade and Rural Affairs Committee's consultation on priorities for the Committee, September 2021

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We are WWF Cymru, and we are fighting to restore and protect Welsh nature. We're determined to ensure that people and nature can thrive together, for generations to come.

Committee priorities for the 6th Senedd

- The future of farming and land use in Wales
- The food supply chain: routes to market
- Wales' global impacts overseas - Global Responsibility
- A Green and Just economy

The Future of Farming and Land Use in Wales

The Legislative Programme confirmed that the Government plans to bring the Agriculture Bill to the Senedd in this Senedd year. This critical piece of legislation will shape our landscapes, ecosystems and rural communities for many years to come. WWF Cymru sees ecological resilience, food production and the long-term viability of farming in Wales as interdependent; a healthy environment underpins food production itself. For example, robust, healthy living soils are vital for the medium and long-term viability of Welsh agriculture and our food supply, as well as being crucial for carbon sequestration and biodiversity.

The Agriculture Bill must therefore respond to the triple challenge of delivering high quality sustainable food whilst restoring nature and getting to carbon net zero. The recent IPCC report adds significant context to this ambition and the Government will have to consider the new data and advice contained in the report closely alongside its work on the Bill. **With this in mind, WWF Cymru strongly recommends that the Economy, Trade and Rural Affairs**

Committee not only make scrutiny of the Agriculture Bill the priority for 2021/22, but also strongly consider additional joint scrutiny of the Bill with the Climate Change, Environment and Infrastructure Committee.

We are broadly supportive of the principle that the SFS should reward farmers appropriately for the production of outcomes (healthier soils, clean air, clean water, improved biodiversity, actions to reduce global warming) at levels above those set by National Minimum Standards, through and alongside the production of food in a sustainable way. We would like to see more detail on what this looks like in practice, and how high the National Minimum Standards are set. Adopting a 'business as usual' approach to future policy is not a viable option for the long-term resilience of the agricultural sector and would work against Wales' ambition to be a truly sustainable country. The current payment system of rewarding land ownership has failed to adequately protect farming and nature. We must accurately recognise the value to society of a healthy environment and a stable climate in the overall resourcing of the scheme and in terms of individual payments to farmers.

We believe the new Scheme should incentivise local and strategic landscape scale nature creation/restoration interventions which respond to the nature and climate emergency. Beyond farm scale there must be funded interventions to incentivise actions in the right place to secure agreed regional priorities (by having a mechanism to make that judgment); and for the outcomes of collective action to make a significant contribution to the overall government low-carbon and SMNR targets.

We want to see the Sustainable Farming Scheme incentivising regenerative/agroecological farming systems across all farms in Wales. We believe these farming systems provide a balanced approach to respond to the triple challenge of delivering high quality food whilst restoring nature and getting to carbon net zero. These approaches include requiring farmers to improve their business efficiency by operating within the natural capabilities of their land and reduce reliance on external inputs. This includes working towards eliminating economically and environmentally costly synthetic inputs (fertilisers and pesticides), and eliminating the import of animal feed such as soy/palm kernel that is linked to deforestation and habitat conversion overseas (see more below on Global Responsibility). It also promotes farmers to be incentivised to promote circular farming systems. The IPCC report noted above supports the need to reduce/eliminate external inputs such as artificial fertilisers and to tackle feed production.

Farming is critical to rural communities and economies in Wales, so ensuring the viability of farm businesses as they transition to regenerative farming is a core part of the challenge facing Wales. WWF Cymru supports the application of agroecological principles across the supply chain to support the transition.

The food supply chain: routes to market

WWF Cymru considers that the viability of sustainable land management in Wales may depend in part on supportive policies further up the supply chain and in communities. There is an opportunity to consider how we might shorten the supply chain and retain the value of food produced within Wales based on its local and sustainable credentials - truly embedding

food in our foundational economy. There is substantial work going on across Wales in respect of the foundational economy and the potential to generate and democratise wealth at a local level. Public spending is an essential element in this effort and has the potential to be transformative in the food system. Driving economic activity through public contracts in procurement presents the chance to underpin investment, embed social and environmental criteria into procurement processes and stimulate more diverse primary production (in horticulture for example) and drive added value secondary production in the local economy.

The Welsh Labour Government have, in the Programme for Government, committed to developing a Community Food Strategy. It provides a vital opportunity to coordinate food policy across all areas of government including health, education, the environment and the economy. This Strategy, if wide enough in scope, could set out policy support for developing these local supply chains by helping to build local infrastructures such as food processing, food hubs, community supported agriculture and public procurement that encourages local buying practices.

The Community Food Strategy could be clearly aligned with how the Sustainable Farming Scheme provides support to the wider industry and food supply chain. We believe the SFS should provide support to the wider industry and food supply chain to help create the demand and markets for food produced sustainably via agroecological farming practices, linking producers of agroecological food to consumers in more diverse ways through local infrastructures. Welsh Government food policy across the supply chain is not properly joined up, but this is an example of how to join up policy. This committee could scrutinise the detail of a Community Food Strategy and the need to better join up food policy in Wales.

- **Wales' Global Impacts overseas - Global Responsibility**

Meeting the triple challenge domestically needs to happen without offshoring our environmental and social impacts. One of the key factors driving the global climate and nature emergency is deforestation and habitat loss. The International Panel on Climate Change is clear that without our forests, we will fail to limit global warming to 1.5°C. Wales needs to play its part by changing what it buys, consumes and invests in, since these choices can drive unethical practices and environmental degradation overseas.

Ensuring supply chains are fair, ethical and sustainable is important for a number of reasons, including Wales' obligation to establish itself as a Globally Responsible Nation in the Well-being of Future Generations Act for Wales. Wales has a responsibility to consider how its practices impact global habitats, but Wales also has an opportunity to demonstrate global leadership towards driving sustainability across commodity supply chains around the world.

More than 50% of global forest loss and land conversion is attributable to the production of agricultural commodities and forestry products demanded by consumers. Precious habitats like the Amazon are being burnt to clear land - rainforests are being destroyed to produce just a handful of commodities. Wales imports significant quantities of agricultural and forest commodities, some of which are driving deforestation and habitat destruction overseas. Whether that is commodities for the production of soymeal for livestock feed in Wales, palm oil used in everyday supermarket items, beef imported into Wales, cocoa used in many Welsh treats and desserts, or even rubber used to produce latex or car tyres.

WWF Cymru, along with RSPB Cymru and Size of Wales have formed a Deforestation Free Nation Partnership. We have commissioned research to provide data, for the first time in Wales, of the quantities of agricultural commodities: cocoa, palm oil, beef, leather, natural rubber and soy, and estimates of the quantities of forest commodities: timber, pulp and paper, that are imported into Wales. The report, to be launched in October this year, provides an analysis of Wales' demand for these agricultural and forest commodities that are driving deforestation and habitat conversion in the countries in which they are produced, contributing to biodiversity loss, greenhouse gas emissions and social issues.

The research confirms that an area equivalent to 40% of the size of Wales (823,000 hectares) was required overseas to grow Welsh imports of cocoa, palm oil, beef, leather, natural rubber, soy, timber, pulp and paper in an average year between 2011-2018. Crucially, 30% of the land used to grow Welsh imports of commodities is in countries categorised high or very high risk for social and deforestation issues. This means commodity supply chains supplying Wales in these countries risk deforestation, conversion of natural ecosystems and/or social issues, such as child or forced labour.

The research is clear – if we are serious about tackling climate change and nature loss in Wales, we have to also address our overseas impacts. Wales' needs to tackle global footprint in our supply chains particularly through the food commodities and products we import. There are levers that the UK Government have to address this, through trade deals for example, but we also have significant levers in Wales to address our Global Responsibility, including our carbon budgets and low carbon delivery plans, public procurement, our Economic Contract and support we provide through the Sustainable Farming Scheme.

Supporting a transition towards resilient, reliable and sustainable global commodity supply chains is linked to the question of how we build up local supply chains. There is a great potential in Wales to better allow local and regional economies to flourish and build resilience and social participation in food systems, but without disconnecting from the global system. What does a healthy balance of imports and exports look like? There is not enough debate on this in Wales. A key component that should underpin this question is the need to pioneer a regenerative supply chain, one which aims to minimise the usage and waste of natural resources while creating more value by replenishing natural resources through circular business models, resulting in a net benefit to people and the planet.

We would welcome committee scrutiny in relation to Wales and global responsibility.

- **A Green and Just economy**

There is growing, unequivocal and alarming evidence that our climate is changing; that nature across the planet is unravelling; and that our vital natural systems are on the verge of failure. As the UK Treasury commissioned [Dasgupta Review](#) identifies, “our economies, livelihoods and well-being all rely on nature”. Biodiversity plays an important role in the provision of many of the services we receive from nature, known today as ecosystem services or nature's contributions to people. A healthy environment is the true foundation of everything and that without sustainably managed natural resources, healthy ecosystems and a stable climate, foundational sectors would not be able to function. This is because such

sectors depend on the raw materials, environmental conditions and services which the natural world provides.

The strength of this argument underlines the need to invest in the resilience of nature globally and in Wales to ensure we have a green and just economy that improves wellbeing and is resilient to climate change. The last year has also shown us another way in which nature, climate change and human health are intertwined. If we want our economy to be less affected by pandemic shocks in the future, we need to take action to halt the loss of key global habitats. Our economy and how we view the role of nature in it reveals a deep cultural and systemic shift is urgently needed, one that we have so far failed to embrace collectively. We need a transition to green and just economy - a society and economic system that is in tune with and values nature, while also making us more resilient to climate change by lessening our contribution towards it and supporting us against the inevitable changes. As part of this green and just economy, we would support the creation of a National Nature Service for Wales as a way of investing in the restoration of nature whilst providing new jobs and skills that will contribute to a green recovery from Covid-19.

- **Innovative funding**

Government funding is insufficient to deliver nature restoration at the scale and pace that nature requires. WWF Cymru urges Government to embrace innovative funding mechanisms (such as Bonds) to leverage additional capital into to transition to regenerative farming and wider environmental outcomes. We support the delivery of transformational, systemic nature-based policy solutions that both sequester carbon and restore biodiversity.