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AGR-50
Ymateb gan: CLA Cymru

Welsh Parliament
Economy, Trade, and Rural Affairs Committee
Agriculture (Wales) Bill

Evidence from: CLA Cymru



Senedd Economy, Trade and Rural Affairs Committee

Agriculture (Wales) Bill

CLA Cymru

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The CLA

One-third of the Welsh population lives in rural areas and our rural economy supports 459,000 people. The Country Land and Business Association in Wales (CLA Cymru) represents many farms, but also farm businesses which have developed additional business activities. Such activities may be referred to as diversification, but they remain mutually dependent with the foundation farm business. It means that we represent a very broad range of economic players in the rural economy. In addition to our expertise in agricultural issues, we also have knowledge and experience relating to the breadth of issues affecting rural businesses, including concerns with planning, investment and economic development, skills provision, connectivity, physical infrastructure and housing. In Wales, CLA Cymru's membership reaches nearly 3,000 rural businesses.

Summary and key points

CLA Cymru broadly supports the direction of travel set out in the bill. Our response to the specific sections of the bill is set out below however we wish to make the following key points that must be considered by Welsh Government to ensure the long-term sustainability of the rural economy.

CLA Cymru would also like to provide further oral evidence to the Economy, Trade and Rural Affairs Committee at the earliest opportunity.

Farming Budget

It is vital the Welsh and UK Governments work together to provide the level of budget that meets the needs of the Welsh rural economy. CLA Cymru will continue to lobby in Westminster and Cardiff for a budget that reflects the challenges Wales' faces and ensures the economic viability of Welsh farm businesses.

Intra-UK market

The importance of free and frictionless trade, and dovetailing of agricultural policy between the nations of the UK cannot be highlighted strongly enough. Although we acknowledge the devolved nature of the majority of agricultural and land use policy, it is essential there is continued collaboration with UK Government to ensure the continued and effective working of the UK internal market. In addition, it is essential there is clarity for businesses operating across the England/Wales border to be able to participate in their respective farming schemes. We have a large number of members who operate cross border and we will continue to work with both Cardiff and Westminster to ensure cross border businesses are not unfairly disadvantaged.

Part 1: Sustainable Land Management

We continue to support the principle of Sustainable Land Management as the overarching principle for new agricultural policy in Wales. It embeds the requirements of the Future Wellbeing of Generations (Wales) Act 2015 and the Environment (Wales) Act 2016 into land use practice. The challenge, however, is to make it work for the Welsh agricultural sector within a UK framework and future trading environment. We also support the four sustainable land management objectives set out in the draft bill and welcome the inclusion of sustainably produced food. This is an objective CLA Cymru have argued for throughout the consultation process leading up to the publication of this draft bill.

We welcome the provisions in the bill for monitoring and reporting of progress towards the Sustainable Land Management objectives and the commitment to use specific indicators and targets to do so. Welsh Government should make best use of existing reporting mechanisms and structures such as the State of Natural Resources Report (SoNARR) teams within Natural Resources Wales. We support the inclusion of this commitment within the bill alongside other existing reports. While the bill states that "at least one" indicator will be used for each objective we argue that a range should be used alongside evidence from experts within the industry to prevent the skewing of data that may take place from only using one indicator.

Part 2: Support for Agriculture

We support the commitment to funding the range of purposes set out in the draft bill. Again, the commitment to support sustainably produced food is welcomed and something we have argued for within CLA Cymru.

Public Access and Heritage

Our members recognise the importance of public access as it is an important public good delivering a range of benefits for health and wellbeing. However, we argue that the provision of any additional public access by a land manager should be voluntary, incentivised, flexible, and permissive and should not create any new permanent right of access. The definition of public access should include new and enhanced access to land and to water through voluntary

access agreements and other more area-based access. Infrastructure to support the use of public access and educational visits together with supporting infrastructure is vital.

It must enable a wide variety of measures to suit local circumstances, including existing access provision, and consider both traditional and non-traditional forms of access, such as infrastructure (subject to planning requirements). The payments should reflect the risks, costs and the impact on adjacent land and business activities although we acknowledge the proportion of payments to different purposes will be determined outside the scope of this bill. It is positive to see the inclusion of support for heritage within the bill something that was clearly missing from previous Welsh Government policy proposals.

Monitoring and reporting

We support the duty on Welsh Ministers to make a yearly statement to the Senedd on the levels of support for agriculture and the impact of that funding. This is important for a number of reasons. Firstly, the taxpayer can see the level of funding and the value for money farming and the rural economy can provide in the delivery of the outcomes set out earlier. Secondly it will allow the administrative efficiency of any new scheme to be scrutinised by the public and organisations such as the CLA.

Part 3

Intervention in agricultural markets

We support the provisions set out in the bill to enable Welsh Ministers to intervene in agricultural markets. It is important Welsh Ministers have the same powers as UK ministers to assist farm businesses in times of crisis. It is also important that Welsh Ministers have the flexibility to intervene in a range of situations such as the dramatic increase in input costs that farmers are facing that are likely to get worse as a result of the current economic conditions. Continued dialogue between administrations is vital to ensure the continued working of the intra-UK market and to prevent businesses in any UK nation being disadvantaged.

Agricultural tenancies

We acknowledge there may sometimes be a need for dispute resolution within the Agricultural Holding Acts (AHA) 1986 sector. However, we strongly argue against any suggestion it is needed for Farm Business Tenancies (FBTs) 1995 as we do not think this would be beneficial to the landlord and tenant sector. The existing farm business framework provides sufficient flexibility for both parties to agree bespoke terms that suit their requirements. To introduce a system that would allow a tenant to seek arbitration on a clause previously agreed by both parties and which could be changed by agreement, would undermine the law of contract and confidence in letting long term.

The confidence of the parties is essential for parties to invest and agree to longer term agreements. The FBT framework for tenancies has resulted in fewer disputes and thereby less third-party resolution, and should be trusted. More support for parties to encourage them to think in greater detail about the specific terms of their arrangement would have a greater and more positive impact. The design of the Sustainable Farming Scheme is the key factor to ensure landlords and tenants can be supported to work together to deliver the objectives of the Agriculture (Wales) Bill and we will continue to play a constructive role as a member of Welsh Government's tenancy working group to make ensure this happens.

Collection and sharing of data

The collection and sharing of data can have a range of benefits to producers, supply chain, wider industry and Welsh Government. We support the purposes outlined in the bill and make the following comments:

- We recognise the commitment to ensuring data collection and storage respects the principles of GDPR and the Data Protection Act 2018. However, we urge caution and significant consultation as further detail on how a future system of data collection and processing will work;
- Any new system in relation to data collection and processing needs to work within the context of an integrated UK market and we welcome the commitment made in the bill to developing such a system with the other nations of the UK;
- The existing data collected by Rural Payments Wales is extensive and should be used to its full potential before looking for additional information from farm businesses.

Marketing Standards and Carcass Classification

We support the provisions in the bill to give Welsh Ministers the same powers as UK Ministers regarding marketing standards and carcass classification. We argue it is imperative that although there may be some divergence in policy regarding the Sustainable Farming Scheme in Wales and Environmental Land Management Schemes (ELMS) in England there must not be divergence in production standards between nations of the UK. Any changes that may compromise the internal UK market and place one nation's producers at a disadvantage must be avoided. This is also important as trade is not devolved and UK products must all meet the same standards to preserve the integrity of Welsh produce.

Part 4 Forestry Provisions

We strongly oppose the proposal to provide powers to Welsh Ministers to amend felling licenses after they are granted. Felling licenses are an important regulatory control but NRW should be correctly determining them at the application stage and powers should not be created to allow retrospective changes to be made to felling licenses after they have been determined. Following consultation with our members who work in the forestry sector in addition to other forestry organisations we argue that the current felling licence system is effective in principle and we urge for further consideration by Welsh Government before any changes to the Forestry Act are made. The greater concern is the level of resource within NRW to administer the existing system. The bill in its current form will not address concerns around illegal felling and we argue that legitimate forestry activities by professional forestry bodies will be significantly negatively affected.

Wales is missing its current tree planting targets by a wide margin (80ha of new woodland created in 2019/20 compared to an annual target of 2000ha) and we argue the regulatory background and level of funding available in Wales is not conducive to reaching these targets any time soon. For example, recent rounds of Glastir Woodland Creation are significantly over subscribed. Our members also encounter difficulty when applying for approval for new woodland planting, with productive conifer dominated projects with an economic return as a driver often resisted or rejected on habitat or biodiversity grounds.

Of course, native tree-planting and biodiversity commitments are an important consideration. But a balance has to be struck. Native species are very vulnerable to damage by deer and

grey squirrel pests but conifers are less so and have more economic potential over a shorter timescale. The reluctance within NRW to accept economically driven projects with significant proportions of productive conifers will continue to discourage woodland creation in Wales and divert investment to Scotland and England, resulting in a continued failure to meet Welsh tree planting targets. Long term, this limits Welsh sustainable development in terms of carbon sequestration as well as stifling development of timber markets and supply chains and use of Welsh timber in Welsh construction. The latter is extremely important as it can help promote jobs and growth and reduce carbon costs of importing timber from overseas,

Part 5 Wildlife

We have no comments on this section at this stage.

Part 6 General Provisions

CLA Cymru is concerned about the definitions set out in Part 6 of the bill. While we recognise the changing nature of agricultural production and the need for Welsh Government to support actions outside of “traditional” agriculture we do express concerns about how the definitions of “agriculture” and “ancillary activities” will affect planning and taxation. Fundamentally we support Welsh Government incentivising farmers and land managers to carry out the purposes set out in Part Two yet how these definitions may affect other policy areas remains unclear. Potentially long-term land use change may result from the Agriculture (Wales) Bill proposals and it is imperative clarity is provided as to how this may affect taxation and planning otherwise landowner may not enter any new scheme.