

Environment and Sustainability Committee

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Inquiry into Glastir – Evidence from NFU Cymru

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NATIONAL ASSEMBLY FOR WALES' ENVIRONMENT AND SUSTAINABILITY COMMITTEE'S SHORT INQUIRY INTO GLASTIR

Introduction

NFU Cymru welcomes the opportunity to submit written evidence to the Environment and Sustainability Committee's short inquiry into Glastir. We look forward to supporting this written evidence orally at a meeting of the group on the 17th May. NFU Cymru represents 22,380 farmers, managers and partners in agricultural businesses including those with an interest in farming and the countryside.

1. NFU Cymru would wish to make clear our commitment to having a fit for purpose agri environment scheme in Wales and having a scheme that is accessible, recognises the environmental gains and benefits both for those entering the scheme and for the wider rural economy. Going forward it must be flexible enough to incorporate the sustainable intensification of agriculture as we meet the new global food challenges whilst at the same time preserving biodiversity, and allowing us to deal with any challenges that reform of the CAP may bring upon us.
2. Confidence in any scheme is paramount to get participation and sadly despite warnings to Welsh Government by NFU Cymru, introducing the All Wales Scheme without a meaningful pilot exercise has backfired with all the negative publicity and problems scheme creation 'on the hoof' has generated. Glastir did not live up to expectations because the scheme and its prescriptions were not thoroughly thought through or robustly tested before roll out.
3. NFU Cymru recognises that now we are where we are and we are keen to work with Welsh Government through the current Glastir stocktake exercise to try and make the scheme 'fit for purpose'. Wales in the past was recognised as one of the innovators of agri environment in Europe through the Tir Gofal Scheme and we need to regain that status

which can only be achieved by Welsh Government being mindful of the practicalities of the scheme and working with land managers, acknowledging and seeking to address their concerns.

4. Progress has been made following the Rees Roberts Review but more can be done.
5. On the positive side we appreciate that the value of points and the points limit per option have generally been increased. We are however extremely disappointed and frustrated that Government did not accept NFU Cymru's early concerns and contention expressed at stakeholder meetings that Glastir would need to be based on income forgone and thus could not be used to reflect or compensate for the natural and permanent handicaps of farming in the LFA for which there are alternative and specific measures. This failure has now left hill and upland farmers without a dedicated support mechanism.
6. We recognise some progress has been made towards reducing the size of the application pack and the further development of the electronic score sheet. In fact application is now difficult without access to the electronic score sheet and this needs to be made more explicitly clear to applicants.
7. Moving the application window to nearer the start date has been welcomed but we feel that this could be progressed even further to a post 15th May date in the year preceding the scheme start.
8. We welcome the removal of options limits but feel that this could be moved even further e.g. bird and bat boxes
9. NFU Cymru questions the need for regional packages as it over complicates the scheme with a very limited uplift in points (10%). Only 9 applicants are signed up under the regional packages in 2012 which in our view is a reflection of this complexity.
10. NFU Cymru welcome the changes to two metres in the hedge width as we feel that the original scheme in general failed to recognise in points terms the value of existing habitats not only to conservation but also to the landscape in general.
11. We also encourage Welsh Government to include dry stone walls and earth banks as point scoring options (both their maintenance and their creation). Until this is done the Glastir scheme will never be a truly all Wales scheme, and ironically it is LFA farms who often have these highly significant traditional boundaries as habitats and as landscape features yet no recognition for their maintenance.
12. It should not be a condition of the scheme that a stocking diary needs to be kept for the whole farm. Stocking details should only be required for those identified habitats with specific stocking or date prescriptions and not where compliance is measured in sward height terms. An activity diary should not need to be kept for land not subject to prescriptions. In terms of communication it is apparent that of those 1698 farms that have entered Glastir AWE in 2012 many were not even aware of the need to do this.
13. NFU Cymru welcomes the mixed stocking and the traditional breeds option on habitat land. However we feel that the stocking rates remain too restrictive and lack flexibility in the upland options. For example there is no recognition that summer stocking rates could be

higher without habitat detriment where stock are removed during the winter and that Agrostis/Fescue swards can sustain appreciably higher stocking rates compared with Nardus/Molinia swards. We welcome the low inputs option for upland grassland which we believe will go some way towards helping upland farmers gaining the necessary points.

14. There is increasing pressure from milk buyers for their producers to be part of an agri-environment scheme. Ideally we want Glastir AWE to be this scheme rather than be forced into a position where, to meet buyer demands, there would need to be consideration of instigating a separate private environment assurance type scheme. We welcome the 75% slurry injection option which we believe is a step forward in helping dairy farmers enter the scheme but further work needs to be done to make this scheme an attractive option for the Dairy sector. We believe that there would be merit in specifically looking at a number of intensive dairy farms to see how the scheme can be made more attractive to dairy farmers.

15. Another shortcoming of Glastir is the disconnection between the AWE and Targeted element. This, we are led to believe is in the process of being addressed with the eventual and welcome aim that AW and targeted elements will run concurrently. As things stand at present a farmer needs to make a 5 year commitment to Glastir without knowing if he will also be eligible for targeted element. This does not make business sense.

16. Option 8, continued management of existing streamside corridor, is now available on woodland with thousands of important dingles along streams in Wales; this is to be welcomed. We would also ask for this to be extended further to allow unimproved land to qualify for points where the farmer is prepared to increase the management by fencing this land.

17. NFU Cymru believes that the Welsh Government needs to revisit other suggestions that were rejected following the Rees Roberts Review (dry stone walls already mentioned). Re-evaluating the benefits of high sugar grasses and minimum tillage should be a priority. We believe that despite WG stating that meeting the challenges of climate change was one of the key priorities for Glastir, prescriptions that would support this aim are 'thin on the ground'. Support for high sugar grasses and minimum tillage would go some way to addressing this issue. We feel that the WG should offer more flexible dates for arable operations than currently prescribed and management of scrub needs a points recognition in the AWE as well as being part of the Targeted Element.

18. Finally on the AWE, farmers feel that one of the barriers to entry is the low value of points for existing habitats and features, in recognition of work already done in other schemes or very often at the farmers own costs. If this could be addressed (recognising of course the constraint of using income foregone figures) by putting a greater emphasis on costs incurred (which are within WTO rules) interest in the scheme would increase. As it is now, it means that for some farms the costs of achieving entry due to the works they need to carry out means they forfeit one or possibly two year's annual payment on some farms. Therefore, in real terms, these farms will not be getting a five year payment but effectively a three or four year payment for entry into a five year commitment. As a result of this, farmers may well choose not to join the scheme.

19. With regard to ACRES this is, in our view, an important element of both the scheme and the stated overall objectives of Welsh Government itself. We therefore welcome the fact that from an initial figure of less than 100 from the 2012 applications being offered entry, this

figure has now increased to 720 (approximately half of those in AWE). The ACRES element of the scheme was one of the primary reasons many farmers, in particular dairy producers, entered the AWE. We are pleased that this has now belatedly been recognised.

20. Moving forward we fail to see why it must be a condition that before being considered for ACRES farmers must be in the AWE. The Glastir Woodland Creation and Management Schemes do not make it compulsory that applicants are also in AWE. We cannot see why a distinction is drawn. This leads us on to a fundamental point that part schemes are not available in Wales and this is an omission that in our view needs to be re-examined with urgency. We believe that this approach could very much help with achievement of WFD targets. For example with the right financial support under Glastir a number of more intensive holdings who have not currently considered Glastir as an option would re-consider if the scheme was restricted to land adjoining water courses and not the whole farm. There would be no environmental risk to this, as the rest of their farm would be subject to cross compliance.

21. Lessons learnt from previous agri environment schemes have been seemingly lost. The reason for the success of Tir Gofal was that it was a mixture of annual and capital payments (with generally prompt payment for both). The capital investments were spread out over the five or ten year period of the scheme. A fundamental weakness of the current ACRES scheme in which applicants some with capital intensive projects with planning permission requirements is that farmers are expected to complete all the work within the first year of the scheme. Furthermore, they are expected to use consultants, which is further delaying the preparation of their application. This matter needs to be urgently addressed to allow those farmers who have been invited to apply for ACRES in 2012 the chance to make use of the grant scheme.

22. NFU Cymru notes that around one third of Welsh common land is now under Glastir agreement, much of this is due to the good work of the Common Land Development officers. Perhaps the presence of such officers and their availability to assist applicants should also be reflected in the All Wales Element through funding from elsewhere in the Rural Development Plan. However near to 100% of common land was supported via the now defunct Tir Mynydd scheme which will represent a major loss to Welsh farmers running into many millions of pounds. Given the diversity of commons it is generally accepted that it is those commons with few graziers or with existing understanding between commoners have been those that have chosen to go in. Very real problems have been encountered in trying to secure agreements on the larger commons and perhaps the 'one size fits all' approach relating to percentage of commons participation needs to be revisited particularly if that common is already providing environmental and landscape and access benefits. We again come back to the recognition or indeed lack of recognition of existing practices in monetary terms.

23. The educational aspect of Agri Environment schemes has always been important in the past but yet Glastir AWE fails to recognise and build on the achievements made by many farmers in communicating the message to young people and the general public. This needs re-examining.

24. If Welsh Government is committed to encouraging increased uptake of Glastir then in our view there needs to be a significant simplification of the AWE of the scheme to make it a genuine entry level agri environment scheme that allows the majority of farmers the

opportunity to apply to the scheme without requiring outside assistance. In recent weeks we have also received reports that finalised 2012 contracts and maps do not fully reflect what had previously been agreed between the applicant and WG at interview. There is a need for all the scheme literature, application forms, interview process and record keeping requirements to fit in with the principles set out within the Working Smarter report. Unless the application process and implementation of Glastir AWE can be significantly simplified then the WG need to allow officers to help with applications for both elements of the scheme AWE and targeted.

25. NFU Cymru believes that funding should be totally flexible between different areas of the scheme and regularly reviewed so that early decisions can be made to ascertain if internal movements of funds are necessary. The core of applications in AWE will be known early on in the financial year which allows the balance to be worked out for other parts of the scheme. Farmers are business people and like all businesses need to plan their investments and income. The earlier they are given an indication of qualification the better this will be all round.

26. Turning to LFA support the clear and unequivocal view of NFU Cymru which we have made clear to the Deputy Minister Alun Davies on a number of occasions is that LFA (or in future ANC) support must come from Pillar 2. The additional payment to Areas of Natural Constraint mentioned in the CAP Reform consultation comes from Pillar 1 not from Pillar 2. This, we do not consider acceptable as it is diluting the SAF payment across all of Wales. The European Commission explicitly provides for compensatory allowances under Pillar 2 to be paid by National Governments to offset the effects of farming in areas of permanent handicap. The EC Commissioner Dacian Cioloş has in recent weeks reaffirmed the statements made by his staff that compensatory payments to farms affected by natural handicap (LFA farms) can be provided under a specific LFA scheme like Tir Mynydd if Welsh Government sees fit to do so. Sadly the position following the March 2012 payment is that Wales with approximately 80% of its land in the Less Favoured Area no longer has a scheme which recognises the difficulty and cost of farming in Wales' Less Favoured Areas. It is disappointing that Wales is now one of the few countries in Europe without a dedicated LFA support mechanism.

27. In this period of change we also believe it is important as part of this short inquiry that this Committee seeks confirmation from the Deputy Minister for Agriculture, Food, Fisheries and European Programmes that:

- 1) £89m has been allocated for Axis 2 measures and that this is the spend on Axis 2 schemes in 2011 and 2012.
- 2) A full breakdown of how this budget was spent on Axis 2 measures in 2011 and 2012 should be sought.
- 3) The projected spend on the various elements of the Glastir scheme for 2013 should be sought.
- 4) the projected spend from 2014 onwards on agri-environment measures should be sought.

28. With the removal of Axes under the RDP post 2014 a commitment to spending on agri environment schemes will be important in building industry confidence in the scheme

We would be happy to clarify/expand further on these points when NFU Cymru provides oral evidence on 17th May. We commend the committee for its interest in this matter.