



Brexit and our Land - NFFN Wales Response

Summary

The Nature Friendly Farming Network¹ (NFFN) is a farmer led, independent organisation established in November 2017. We are uniting farmers across the UK who are committed to managing their land for wildlife and the delivery of public goods, as well as growing and providing healthy, nutritious food.

The farmers behind the Network believe that a post-Brexit land management policy in Wales should:

1. Help all Welsh farmers to produce safe, healthy food at the same time as helping our soils, landscapes, rivers and wildlife to recover and flourish.
2. Maintain and redirect farming payments towards mainstreaming nature friendly farming.
3. Recognise that the shift towards a more nature friendly approach is not just good for wildlife but is key to the long-term survival and success of Welsh farming and rural communities, delivering broader benefits to the public, including flood protection, water and air quality, and access to thriving natural landscapes.
4. Make sure future schemes are accessible to more farmers.

A Wales NFFN steering group was established in June 2018. We welcome and very much support the general direction of the Brexit and our Land consultation.

NFFN Survey

Our Wales NFFN farmer survey showed overwhelming support for a radical overhaul of agricultural policy.

- 87% of Welsh nature friendly farmers believe that now is the moment for radical change in agricultural policy that rewards the conservation of natural resources alongside sustainable food production.
- 100% of respondents want high environmental standards to be a key requirement of future trade deals - to combat the threat of cheap imports.
- Almost 75% believe that the governments in each of the UK countries should cooperate to put the environment at the centre of future farming policy, through a common framework.
- 83% of NFFN farmers say that it is crucial to maintain at least the current level of investment, refocused to deliver better value for money, to ensure a thriving sustainable agriculture sector in Wales.
- Almost all NFFN UK farmers surveyed (98%) called for a greater understanding of the critical role that farming plays in protecting the environment and delivering public goods.

During this consultation period, it is critical that the Welsh Government listens to farmers who are calling for a radical change in food and farming policy. Government must work hard to win our trust by resisting the urge to “race to the bottom”, but support farmers with delivering a better farming future. We cannot miss this significant opportunity to transform Welsh agriculture in order to help farms evolve and thrive, whilst restoring and protecting our natural heritage.

¹ <https://www.nffn.org.uk/>

Consultation Questions

Chapter 4: Land Management Programme for Wales

1. We propose a new Land Management Programme consisting of an Economic Resilience scheme and a Public Goods scheme. Do you agree these schemes are the best way to deliver against the principles? If not, what alternatives would be best?

In a post CAP world where direct payments are being phased out, an effectively delivered economic resilience scheme and a public goods scheme can form the foundations of a future policy that works for farming, the people of Wales, nature and the environment. To do this, the two proposed schemes must be able to work together - they cannot be looked at in isolation

We believe agriculture needs to be profitable and sustainable, and farmers should receive adequate payments for undertaking environmental and nature friendly activities. Future policy should focus on rewarding farmers to provide those benefits, especially environmental benefits that are not normally paid for through the market. We believe that this is where the majority of taxpayer money should be focused.

To be successful, well resourced, practical environmental land management schemes will play an integral role. Future schemes must make it simple for farmers to do the right thing for nature. Payments for environmental works must be fair and generous and make economic sense to farm businesses; this is essential if we are serious about addressing widespread species declines and the general degradation of the environment which is being witnessed across our countryside².

Agriculture policy is wider than just government support for the delivery of environmental public goods but should also incorporate rural policy, food policy and support for farmers to be competitive and resilient. These policies may help to provide new sources of income to farm businesses as we move away from direct payments.

2. Does Welsh Government need to take action to ensure tenants can access new schemes? If so, what action would be best?

Future payments must be made available to tenant farmers that actively manage the land (not their landlords), and tenants should have the flexibility to undertake actions that benefit their farms and the natural environment without obtaining the consent of a landlord. Furthermore, landlords need to be incentivised to hand over control and give security of tenure to the active farmer so there is more confidence to invest in improving the productivity and environmental benefit of farmland.

It would also be very helpful to have flexibility on contract lengths to ensure schemes are truly accessible to tenants. Longer contracts are better for the environment and for business management however, if for example, only 7 years remain on a farm business tenancy it would be beneficial for a tenant farmer to have contract dates flexible enough to co-inside with tenancies. These could be 3, 7 or 12 years long for example. Rolling contracts could also assist short term farm business tenants accessing schemes.

Chapter 5: Economic Resilience Scheme

3. From your experience of current programmes, what do you feel would work well for the future?

Support under an economic resilience scheme should be clearly linked to the delivery of public goods and make economic and business sense. This will ensure effective use of taxpayer's money, and contribute towards more economic, efficient and environmental farming.

An economic resilience scheme should be flexible, creative and support a wide variety of sustainable actions. One of the criticisms of the current Farming Connect programme is that it is too rigid. For example, some farmers

² The [State of Nature 2016 Wales Report](#) shows that there has been a long term decline in biodiversity, whilst the [State of Natural Resources Report 2016](#) shows that none of our ecosystems are resilient.

are eager to expand/ diversify their business by introducing on farm butchery facilities. However, there is no options to include a butchery or meat processing course on the current scheme, therefore if it is not on the list then you cannot go on the course. Future schemes should be more flexible and support should not be limited to a certain number of areas/ activities.

Priority should be given to peer to peer learning. For example, a new economic resilience scheme should offer support in setting up discussion/ peer to peer learning groups that represent the range and diversity of farming systems we have in Wales and focus with training given to marketing and selling of the *all* the sustainable products we produce.

Where consultants are used they should be of the highest quality and their outputs should be analysed and assessed for suitability.

Farmers need to be able to engage with the Welsh public. Whether they are producing sustainable food or public goods, the public is the customer. Farmers need to understand this and act accordingly. Media training and educational training should be encouraged to promote this.

Upskilling farmers and farm workers is important, but computers might not always the answer. In some cases, farm workers do not have a work email address, and they do not use a computer at all during the day, so requesting that they do PC based courses is sometimes unpractical. From the personal experiences of some of our farmer members some farm workers have poor reading and writing skills. This is not an issue and can be managed, but there needs to be an understanding that the agricultural industry has a role for individuals who perhaps would not be able to work in other sectors with a larger requirement on reading and writing.

4. Do you agree with the focus of the Economic Resilience Scheme being on growing the market opportunities for products from the land throughout the supply chain, rather than restricting support to land management businesses only?

One of the Network's manifesto³ points states that "*We will seek to build markets for nature friendly farming products and will encourage transparency in food supply chains to allow people to make informed sustainable food choices*". We therefore welcome plans to grow market opportunities for sustainable products derived from the land.

Government should lead by example, supporting high quality, sustainable and nature friendly Welsh food production. Government procurement rules should prioritise buying local food direct from Welsh farmers where possible and give preference to farmers with established nature friendly farming practices and excellent environmental land management.

There is an important role for consumers and the food supply chain in influencing how land is managed. Accreditation schemes can ensure that food produced to high environmental standards is recognised in the market. This could include highlighting food produced on land managed under a public goods scheme in the market. Improved public awareness of schemes would allow the public to understand better the link between their tax money, their spending on food and the management of the countryside.

We should be looking at what else we can sustainably produce and sell in Wales, tailoring this to market demands and consumer trends, and identifying market opportunities for these products. The scheme needs to be able to quickly evolve to a changing marketplace, for example if a sector shrinks due to Brexit, funding could be moved to new or expanding sectors.

Targeting investment throughout the supply chain will most likely result in a decrease in *on farm* investment. This *off farm* investment should be effectively targeted so that farming business are more profitable and resilient. There needs to be an appropriate balance of funding so that farmers are not out of pocket.

³ See appendix 1 for the NFFN Manifesto

5. Are the five proposed areas of support the right ones to improve economic resilience? Are there any areas which should be included but currently are not?

We are satisfied with the 5 proposed areas of support to improve economic resilience.

6. Of the five proposed areas for support, which are the priorities, both in terms of funding, and the sequence of delivery? For example, are certain measures needed in advance of others?

We asked our farmer members what should the government prioritise in order to better support thriving sustainable agriculture in the UK. The table below concludes the order of prioritisation. However, we note that not much separated the 5 areas. We believe them all to be important.

Funding	Sequence of Delivery
1. Increased market potential	1. Increased market potential
2. Diversification	2. Knowledge exchange, skills and innovation
3. Knowledge exchange, skills and innovation	3. Diversification
4. Improving Productivity	4. Effective Risk Management
5. Effective Risk Management	5. Improving Productivity

Increased market potential

All farmers are producers. We can no longer be in the position where we produce a product that has no/little demand. Domestic markets need to be the primary focus as there is more immediate potential. All sectors need to be reviewed (including arable & horticulture, which are mentioned very little). Although international markets should be delivered these will take more time, so less time/ resources should be focused on this in the short term.

Diversification

Diversification is important. Alternative/ multiple income streams can reduce the financial risks associated with farm businesses. Diversification within sectors should also be encouraged and should be linked to market need. For example, arable farmers encouraged to grow welsh milling wheat, instead of feed barley, or a return to mixed livestock/arable farming. It is important to remember also that there are factors that limit diversification opportunities - not all farm businesses are in a position to diversify.

Knowledge exchange, skills and innovation

Improving farmer knowledge is important. The exchange of knowledge, skills and innovation should be done in a way that is creative, innovative, flexible and of high quality.

Effective Risk Management

Managing risk, be it economic, social or environmental is very important. All other industries prioritise risk, with regular risk management and risk registers, due to the enormous reputational, financial and social implications. Agriculture needs to improve in this area extensively.

Sound farm business advice to reduce risk management is very important. Neil Heseltine, a member of the England NFFN steering group demonstrates how tailored advice lead to an improvement in farm profitability at Hill Top Farm, Malham, Yorkshire Dales⁴.

“About 2012 we had a much closer look at the business. The business was making money, but when we looked at it more closely, we realised that the environmental payments and the single farm payment were contributing far more to income and profit than we realised. The cattle that we thought were only there for conservation grazing purposes were actually making money. And this enterprise (sheep) that was my baby was losing money. We’re now down from about 800 lambing sheep to about 200 and they will decrease further.”

⁴ <https://dalesfarmers.files.wordpress.com/2016/11/hill-top-farm-voices-from-the-land.pdf>

A low input farming model, where we are farming *with* the environment and farming within the carrying capacity of the land can lead to a significant reduction in maintenance and labour costs, resulting in increased profitability and environmental enhancements. We believe that his type of sustainable farming is an excellent way of managing risk.

Improving Productivity

Improving productivity is important, but it is important firstly for farm business to look at *what* and *how much* they produce. If products have no or limited market/ demand, then it can be argued that it is irrelevant how much the unit cost of production is, we should not be producing it. However, it should be recognised that some livestock that might have limited domestic demand/ markets (e.g. light lamb) are sometimes essential to maintaining upland wildlife habitats. We agree that improving productivity does not mean producing more, but rather reducing the cost of production and increasing value added to primary produce.

Investment could include one-off support payments to invest in technology/ machinery/ infrastructure/ equipment. For example, we encourage cattle grazing in the uplands as they are a very good conservation management tool. However, in order to do that, in some instances the farmer would need to invest in such things as mobile cattle handling facilities/ housing sheds/ cattle pens. This could potentially be supported under an economic resilience scheme that has a direct link to public goods delivery.

7. Should we be investing in people, for example to bring in new ideas, skills and people into land management and the supply chain in Wales? If so, how should we look to do this?

Before any investment it is vital that farmers have access to relevant advice to ensure that any new or expanding enterprise complies with current regulation.

Chapter 6: Public Goods Scheme

8. We have set out our proposed parameters for the public goods scheme. Are they appropriate? Would you change anything? If so, what?

Parameter 1: Scope of the scheme

The NFFN is committed to securing farming policies that support wildlife, sustainable agriculture and fairness for farmers. We agree that improved soil health, water quality, air quality, increased biodiversity and climate change mitigation, as well as heritage and recreation are all incredibly important and interlinked public goods. We want the government to support all of these public goods and reward farmers and land managers fairly for their delivery.

Parameter 2: Open to all

A public goods scheme should cover all farmers, with no limits on uptake based on the size of the land holding. All farmers have the potential to provide environmental goods and services and this can be encouraged without prejudice to any one sector. It is inevitable that larger land-owners have the opportunity for greater cumulative gain from any system, however, under a public goods scheme a large holding would only get a large sum if it delivers large amounts of public goods.

A large area of Wales has been planted by commercial conifer plantations. We believe that owners of such plantation should not receive support under a public goods scheme as timber is a marketable product which has a clear monetary value, thus does not qualify as a public good. Furthermore, many inappropriately planted non-native conifer plantations are actually having a *negative* effect on the environment and wildlife e.g. afforestation on areas of deep peat, and near areas known to be used by ground nesting birds.⁵

⁵ Ground nesting birds such as curlew prefer to nest in open landscapes and tend not to breed within 200m of forestry/woodland edge. Furthermore, the associated increase in predator populations (e.g. foxes and crows) because of inappropriate woodland planting (in particular conifer shelter belts) can have a negative effect on chick survival rates.

The inclusion of all land uses rather than only agriculture would among other things: promote diversity in agricultural production (e.g. agro-forestry); promote forestry and timber/related products from native trees; encourage best practise of land management for highways and similar significant non-agricultural land holdings.

Parameter 3: Opportunities for action

We agree with this parameter.

Parameter 4: Evidence-based public goods

Basing management interventions on sound evidence is key. The farmer's local knowledge is also very important and should be valued. Ongoing monitoring will also be vital in order to measure the success of a public goods scheme and ensure value for money.

Parameter 5: Additionality

We agree that payments should be received for delivering benefits that go above and beyond the regulatory floor. Payments should also reflect the true *value* of the public good delivered and therefore need to move beyond the current system of income foregone/ costs incurred. It is vital that land managers that are already delivering public goods on their land should continue to be supported and rewarded.

Parameter 6. Advisory support for land managers

It is vital that farmers are supported when developing and delivering a public goods scheme. Contract managers are vital to the success of agri-environment schemes, and support should be made available for farmers and land managers throughout the duration of their contracts. Employing contract managers that are local to the area is important as we envisage that multiple farm visits will be required in order to develop and implement results based schemes. The costs of administrating such a scheme will be very high, which is a cause of concern.

9. This scheme is meant to offer land managers the opportunity to access a significant new income stream as the BPS comes to an end. How could we improve what is being proposed to attract land managers whilst still achieving our vision and objectives?

Payments for public goods should provide farmers with an attractive income stream as part of a sustainable business model. We believe that payments should be calculated beyond cost-incurred, income foregone. Too often the true cost and value of such options has not been reflected in the payments attached to them. This often limits uptake of particular interventions that require more difficult or expensive management, but can often provide significant environmental benefit. All payments to farmers should be paid quarterly and on time. Problems with payment systems and processes, as well as causing economic problems for individual farmers and the industry as a whole, also undermine trust and enthusiasm for schemes in the future.

The NFFN strongly supports the public money for public goods approach but we are clear that the we must have sufficient budget to properly reward farmers and incentivise them to adopt or maintain environmentally sustainable practices.

When we asked which factors are most critical in delivering an effective system, our farmer members ranked them as follows:

1. Co-design the scheme between the Welsh Government, environmental specialists and farmers/land managers (83%)
 2. Targeted support for upland and marginal areas (78%)
 3. Incentives for farmers and land managers to work together or with third parties to deliver environmental outcomes (74%)
 4. Greater investment in knowledge exchange and training (70%)
 5. A balance of local and national objectives (70%)
 6. Financial incentives for collaborative working (61%)
 7. Clear regulatory baseline to ensure high standards across the industry (61%)
 8. Outcome based payments (57%)
 9. Addressing issues at a landscape scale, rather than individual farms (52%)
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Design of a new scheme

A new scheme will need to balance being environmentally effective, deliverable and auditable by government with being practical for farmers and land managers. Flexibility should be built into the design of new schemes, so that farmers can alter management practices if required. We feel this is a major flaw in the current design of schemes.

A new scheme should be holistic, based on the whole farm operation including production and environmental aspects as far as this is possible. This means flexibility, for example to reach environmental targets across the farm rather than in individual fields, and more focus on outcomes and achievements than mapping and calculating.

Farmers must be involved in the development of agri-environment options - our knowledge and experience will be crucial in delivering something that works, representing good value for money and greater buy in from the farming community.

This is an opportunity to both simplify schemes and ensure they deliver more. There should be an intuitive and straightforward application process and clear guidance to the applicant to identify the range of benefits to their business and the environment to encourage buy in and recognition of what is being delivered. Payments should be fair and generous and make economic sense to farm businesses as well as environmental sense. Farmers should be able to access payments in line with their achievements and effort. Payments should reflect the genuine environmental or social value of the benefits farmers provide and be attractive to them. This means a shift in tone from a perception that payments agencies are quibbling over management costs and trying to drive down the level of payments farmers receive.

There should be both a comprehensive element, open to all farmers, with rewards increasing in relation to effort, and targeted element, with more complex requirements, based on specific priorities for a given area, and which have a competitive element. There should also be support for specific types of farming that benefit the environment - including payments to support organic⁶ and other agro-ecological farming systems (based on the known benefits they provide) and to support the continuation of High Nature Value farming and forestry, especially in the uplands and more marginal farming areas.

Comprehensive Scheme Design

A comprehensive, broadly accessible element - available to all land managers that meet the entry threshold. The scheme should pay for good land stewardship with requirements above and beyond baseline regulatory requirements. This should address widespread issues such as protecting soil, air and water resources, reducing greenhouse gas emissions, and maintaining wildlife habitats and landscapes. The comprehensive element should be based on maintaining and enhancing environmental assets on the farm including simple interventions such as hedgerow restoration and management, tree planting, creating wildflower field margins, establishing bird cover crops, creating wetland features, establishing stream-side corridors or leaving unsprayed arable crops (flowers/ pollinators) to be retained as winter seeds for birds. These are measures that could be implemented by the majority, if not all, farmers and land managers. It is crucial that this comprehensive scheme is more ambitious than the previous Glastir Entry Scheme, to secure measurable benefits for the public. This will include increased recognition for farmers already delivering for the environment.

The future scheme should build on the best aspects and learn from the problems associated with previous schemes, to ensure it is popular with farmers, but delivers the best benefits to the public and is not beset by problems with poor implementation and low uptake.

The aim should be to encourage a step change towards more sustainable production - with more farmers enrolled in a more ambitious scheme than currently. This element of the policy would effectively replace direct payments as the primary public funding mechanism available to the majority of farmers and land managers to engage with. To achieve this there will need to be significant investment in support to move a large majority, if not all, farmers into the scheme. This will include advice and possibly transition payments (as used for organic

⁶ Consumer demand for organic produce is rising steadily, which is known to benefit both food quality and the environment.

conversion) to support farmers to both gain recognition for work they are already doing and to reach an ambitious level for this scheme (i.e. beyond both cross-compliance and much of Glastir Entry).

Environmental delivery should be tailored at an individual farm level and farmer motivations, to ensure relevance and encourage farmer buy-in. Measures should be available to all where they deliver what the local landscape and environment needs. There should also be flexibility and the ability to tailor or change activities within the agreement if they are not delivering the desired environmental goals as well as the ability to introduce new measures into a scheme as ambition increases.

Targeted Scheme Design

Targeted agri-environment payments and woodland grants should aim to conserve priority species and habitats, to ensure the appropriate management and condition of designated nature conservation sites and to support habitat recreation and restoration e.g. peatlands and salt marsh. Woodland grants should support both the management of existing woodland resources and new tree planting in appropriate locations.

A targeted element will address specific problems that need more investment and more complex management, including management, restoration and creation of priority habitats; species recovery programmes, including predator control; ensuring high water quality; and supporting strategic natural flood risk management.

This payment should be determined by both national and local priorities and should be flexible enough to tailor to a farm or landscape context and flexibility to combine measures to maximise potential benefits. This should reflect local needs, with associated targets, objectives and monitoring and evaluation. There should scope for innovative and complementary mechanisms, such as reverse auctions, covenants and local commissioning.

Schemes should use a contractual approach, paying farmers for providing clearly defined outcomes not provided by the market or through regulation. These outcomes should be based on the best evidence of what works and targeted to local priorities. Monitoring and evaluation will be important and should drive management decisions. For example, soil testing should be carried out regularly and be used to help determine the correct levels of fertiliser application and avoid over-use. Similarly, biodiversity monitoring should be included in schemes, to assess their impact on wildlife.

It should be recognised that there is a diversity of types of land management across the Wales. Some economically marginal agricultural systems may require bespoke support to secure the range of public benefits they deliver (including high nature value farming systems in upland areas).

There is good evidence that payments based on outcomes, or at least results, can improve environmental benefits, and increase farmer engagement and awareness of public good schemes. However, there are technical challenges with this approach that must be addressed before it can be rolled out as the primary mechanism for rewarding farmers and land managements. Results are not always in the control of the farmer and could present a higher risk to them. Outcomes should therefore be based on the quality of the *habitat* rather than individual species. Payment for results could also be used to top up payment for management actions (e.g. paying to plant a wild bird seed crop and then paying an additional sum if certain results are achieved from this).

We are concerned that the staff required for monitoring a payment for outcomes scheme would significantly reduce the funding available for farmers but without them the scheme wouldn't work. To this end, we believe there is a need for higher level of funding to cover the staff support needed.

10. Are there any other public goods which you think should be supported? If so, why?

The NFFN strongly believe that we need the public to better understand the relationship between farming and the environment and the benefits that nature friendly farming can bring in protecting and enhancing the environment and wildlife and safeguarding future food production. Almost all UK NFFN farmers surveyed (98%) called for a greater understanding of the critical role that farming plays in protecting the environment and delivering public goods. In addition to our NFFN farmer members we also have public members who support our manifesto and our nature friendly farmers.

Public engagement should be central to future policy with the aim of improving public understanding about food, farming and the environment. Farmers should be supported to engage the public, such as through farm visits, which could be supported by from central or local government e.g. with payments per visit and financial support to improve on-farm facilities for visitors. Farmers and land managers should be encouraged to explore innovative ways of engaging the public, including through neighbouring farmers acting together, engagement with the school curriculum, or partnerships with other businesses (such as food processors or retailers). Public engagement can also encourage new entrants into farming through engagement with the education system (schools, colleges, work experience).

We would welcome financial incentives (top up payments for example) for keeping **rare breeds/ stock of local provenance**.

We believe that food security is not about increasing overall production and encouraging intensive agriculture. Productivity must be underpinned by environmental sustainability to ensure long term food security. Setting a clear framework for long term sustainable management is the only thing that will deliver real food security. If we continue to allow poor management resulting in damaged soils and a degraded countryside this will be costly for us in the long term. One of the most important elements of food security is ensuring our land can produce food, both now and for the future. This means restoring and enhancing the natural resources (biodiversity, soil, air, water) that underpin food production. The State of Natural Resources Report 2016 shows that none of our ecosystems are resilient, therefore the vital building blocks of food production are at risk. A public goods scheme that restores and enhances our natural resources, coupled with an economic resilience scheme that supports farmers to efficiently produce high quality and sustainable produce can go long way into addressing food security.

11. A number of public goods could potentially take several years, sometimes decades, to be fully realised. e.g. carbon sequestration through broad leaf trees. To deliver on these, land managers may need to enter into a long term contract. How do you see such agreements working? What do you see as the benefits or disadvantages to such agreements?

Agreements should be multi-annual, to support longer term outcomes and to fit with the long-term ambitions. This means longer-term agreements (10 years or more) should be considered to encourage continued commitment, improvement and delivery over similar time periods. Increased flexibility within agreements, is important to enable land managers to adapt the details of the plan over time, while retaining a long-term commitment to the goals agreed at the outset.

However longer agreements will not always be appropriate, for example for some tenant farmers. As stated above (Q2) flexibility on contract lengths might be necessary to ensure schemes are accessible to tenant farmers.

12. A collaborative approach to delivering public goods may in some instances provide better value for money than isolated activity. How could the scheme facilitate this approach? How could public and private bodies contribute to such partnerships?

Future schemes should aim to work at a landscape scale, both in the wider countryside and within priority areas, and payments should be calculated to account better for this collaborative, coordinated approach. This helps connect the good work of farmers in each area, to contribute more effectively towards environmental outcomes, rather than creating fragmented areas of good quality habitat within 'biodiversity deserts'.

There should be a fund for landscape scale collaboration. Farmers that want to collaborate to produce landscape scale results, for example species recovery or to improve water quality, should have access to additional support to help them do this, for example groups working at a catchment scale.

A local, independent facilitator should be employed to facilitate collaborative working. Employment of appropriate individuals, sensitive to the need of farmers is vital to assist in the delivery of collaborative schemes. This would avoid a scenario where you rely on one or two farmer's good will to drive the project forward. This would also avoid counterproductive management interventions, such as farmer A planting trees adjacent to land owned by farmer B who is managing habitat for the benefit of ground nesting birds.

13. Some actions can deliver multiple public goods in the same location. For example, peat bog restoration can have benefits for carbon sequestration and flood risk reduction. However, some locations could be suitable for multiple public goods from different activities. For example, one location may be suitable to either plant trees for carbon sequestration, or to revert to wetland for biodiversity. How could locations for single, multiple or competing benefits be prioritised?

Farmers should be encouraged to choose options and outcomes based on their interests, for example specific species or habitats they want to encourage, assuming this is practical and deliverable. This approach would help improve farmers buy-in and motivation to act, as they have been involved in deciding what public benefits they want to deliver. Management of neighbouring/ wider landscape farms should also be considered to avoid scenarios such as the one mentioned above (Q12).

14. Given that support for the delivery of public goods will be a new approach in Wales, there will be a requirement for a significant amount of training and advice for the sector. How best could this training and advice be delivered? Which areas of the sector need the most attention?

To achieve environmental outcomes, whilst delivering value for money, farmers must be provided with consistent, high quality advice. Regular support from a trusted advisor makes a significant difference in achieving success and ensures that land managers are fully equipped to do what is best in each area. All types of scheme should be supported by expert advice but targeted and larger scale schemes should be supported by significant levels of advice. Entry into schemes should look at the outset at what type of advice is needed and how it will be accessed.

Any system of payment by results or outputs depends on high quality advice to help farmers and land managers to follow best practice and to ascertain why management has or has not led to the desired outcome. Trust in farmers is critical to success. Advisors should be local and independent, and separate from the function of regulator. Advisers should not have a dual role, for example representing financially interested stakeholders, unless this does not conflict with the advice given. Payment for advice should come in part from the farmer but also be supported by government where it helps farmers achieve public benefits. Farmers and land managers are more likely to value and implement advice if it has been paid for.

Awareness should also be increased within the agriculture and rural sector of the benefits of public goods schemes and why are they designed as they are. Results, successes and best practices examples should be shared within, and beyond, the industry. This will help the industry be proud of its achievements, while also recognising where there is room for improvement. This could also help people to be aware of what they are seeing on the ground, and could help landlords improve their understanding of their tenants' management practices.

15. Private investment in the purchase of public goods is already happening, but at a relatively small scale. How could the new scheme promote greater involvement from the private sector? What are the barriers to this type of investment?

Private sector investment (for example from water companies or developers) could help pay for some environmental outcomes, such as water quality. These should work in parallel with government supported environmental schemes to ensure consistency, spread cost fairly and avoid duplication.

Chapter 8: Transition, delivery and legislation

16. What are your comments on the phased transition period and our ambition to complete the changes by 2025?

Government should provide a clear timetable and support to enable farm businesses to adapt to the loss of direct payments. There should be recognition of the financial implications of new policy on farm structure and the diversity of types of farm across the country. Transitional arrangements and future payments should aim to preserve this diversity and be aware of the social and economic impact of a rapid loss of income to farm businesses.

There is a need to pilot new approaches and trial new schemes during the transitional period. Developing an effective results based scheme will take a lot of time and resources, and we are concerned that such a scheme will not be able to be developed within the proposed timeframe. This may have to be rolled out at a later date.

Ideally, we would like to see the transition to new schemes by 2025, however we see a case for aligning with DEFRA's proposal to complete transition by 2027. A key consideration however, is that we don't delay transition so long that it's too late to reverse wildlife declines and address environmental issues in time to meet legal obligations.

17. What is the most appropriate way to phase out the Basic Payment Scheme to start implementation of the new schemes?

Government must support the sector to improve resilience and help transition away from direct payments. This could include capital grants, training, business advice and support for technology uptake. The aim should be to improve the competitiveness of the sector using one-off or time-limited payments.

18. How can we simplify the current administration and delivery of the Basic Payment Scheme during the phased transition period?

De-linking of direct payments from land is an option that could be explored. This could facilitate a rapid restructuring in the industry, effectively funding a ready-made exit fund for those that wanted to get out, or provide an investment fund for those who wanted to invest in their business to get it 'Brexit ready'. De-linking could also free up the resources associated with most Pillar 1 administration, making resources available to invest in the implementation of a new policy. With this support for new entrants, it could achieve renewal within the industry. In this instance, we believe there should be a cap on the money received by the largest landowners so as to avoid a large bulk of resources being received by a small minority.

De-linking direct payments from land means that all conditionality associated with land, including cross-compliance and greening, would need to be removed. This would apply to those who chose to leave the land, as well as those who didn't. This would lead to a loss of environmental protections if alternative enforcement mechanism and environmental standards are not put in place beforehand.

19. Will the proposed land management programme have any effects (either positive or adverse) on:

- opportunities for persons to use the Welsh language;
- treating the Welsh language no less favourably than the English language?

The continuation of farming in rural Wales is vital for the future of Welsh language and culture. In certain areas (North West Wales for example) the majority of farmers are first language Welsh speakers. Employing bilingual contract managers/ regulatory officers/ monitoring officers can perhaps facilitate a smoother transition to new schemes and break down perceived barriers.

20. Do you wish to make any further comments?

Role of Regulation

Public Goods schemes must build from an effective regulatory baseline in which the "polluter pays" principle is properly applied. This is necessary to meet the country's environmental aims and ensures that the environmental benefits that farmers deliver through schemes are not undermined by damaging practices elsewhere. Regulation creates a level playing field, with all farmers and land managers bound by the same rules. Regulation should define the rights and responsibilities of landowners, providing clarity about when they will be expected to maintain existing environmental and animal welfare standards and when they can access support for provide additional benefits, for example for going beyond regulatory standards to help improve water quality, which could then be paid for by water companies.

Enforcement should be proportionate e.g. giving farmers time to address any breaches or failings to become compliant, with follow up inspections to assess progress, before any penalties are applied. Regulation should be better targeted at repeat offenders and those blatantly or purposefully breaking the rules. There should be a "3

strikes” rule, with the first infraction met with a caution coupled with advice on how to comply with regulations; the second with a penalty and any third infraction leading to an exclusion (for 3-5 years) from enrolling in schemes.

Regulation and advice should be closely linked, so that any farmer found in breach of regulation has a) time to rectify the situation and b) access to quality advice in order to become compliant. This would engender greater trust between the industry and the regulator.

Funding

The NFFN are concerned that it’s unclear what the budget will be for the new system. Work carried out recently has estimated that the total cost of meeting the identified environmental land management priorities in Wales are estimated at £220 million⁷. The current annual CAP budget in Wales (Pillar 1 and 2) is approximately £3million. In order to meet the ambitious objectives set out by the government and ensure a thriving sustainable agriculture industry in Wales it will be essential that as a minimum they maintain this level of investment but it should be carefully targeted to meet the desired objectives.

Conclusion

We believe that nature friendly farming is not only better for nature, but is also the most productive and sustainable way of getting food from our land. Many farmers are already playing an incredible role in helping wildlife flourish on their farms - we believe that they should be better supported and rewarded for their good work. In addition, we think that food and farming policies should help all Welsh farmers to farm in a way that ensures that:



The NFFN strongly support the direction of the consultation paper. Rewarding farmers and land managers to deliver environmental goods that benefit all is not only what we believe is the best way forward but is also the right thing to do to ensure both sustainable farming and environment protection for the future.

Both our Wales farmer steering group and many of our farmer members are keen to support and be involved in the development of future policies and schemes. We hope you agree that further farmer input is essential to ensure the best and most practical policies and schemes are developed to ensure viable and sustainable farming businesses, good quality food production and environmental protection going forward.

⁷ [Assessing the costs of Environmental Land Management in the UK](#) (Matt Rayment, 2017)

Appendix 1

Our Manifesto

The landscape in the UK is shaped by farming. Yet not all change in recent times has been desirable; soils have been depleted, water courses degraded and nature has struggled to cope with the pace of change. We have seen declines in over 600 farmland species over the last 50 years. However, many farms are bucking this trend. Soils are being restored, nature is thriving and if more follow this lead we can reverse these declines. With over 70% of the UK being farmland, we need to act now to deliver for wildlife at a landscape scale.

This manifesto seeks to unite the many farmers who are passionate about wildlife and sustainable farming by providing a collective way forward: creating a nature friendly farming network.

Nature Friendly Farming Network

- Our network will engender a strong community which will provide a strong voice for sustainable nature friendly farming
- We believe agriculture needs to be profitable and sustainable, and farmers should receive adequate payments for undertaking environmental and nature friendly activities
- We are committed to demonstrate to the wider public what farmers can do for wildlife, whilst still producing plentiful quality produce
- We will seek to build markets for nature friendly farming products
- We will encourage transparency in food supply chains to allow people to make informed sustainable food choices
- We will demonstrate to decision makers the value of sustainable nature friendly farming to ensure there is support within government and the supply chain
- We are committed to securing farming policies that support wildlife, sustainable agriculture and fairness for farmers
- We will work to end damaging policies and practices and secure the multiple benefits of sustainable nature friendly farming
- We will build a knowledge base, share research and offer advice, support, and training
- We will explore innovative and improved ways of achieving agronomic, environmental and social benefits, whilst retaining valued aspects of tradition