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Climate Change, Environment and Infrastructure Committee
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Dear Llyr

Priorities for the Sixth Senedd

Thank you for inviting the Farmers' Union of Wales to submit views on the priorities of the Climate Change, Environment and Infrastructure Committee for the sixth Senedd term.

You will appreciate that, given the FUW's Mission is *to advance and protect Wales' family farms, both nationally and individually, in order to fulfil the Union's vision, that Vision being thriving, sustainable, family farms in Wales*, the below response relates to those priorities related to Wales' agriculture and family farms. Many of these issues will be pertinent to the Agriculture Bill being presented to the Senedd.

As you have acknowledged, inevitably there will be some cross-over with policy areas which fall within the remit of other Senedd Committees, and it is hoped that those areas where joint-working would be beneficial will be self-evident.

We look forward to providing further detailed information if and when the Committee carries out work in relation to those policy areas we have identified and which are of relevance to Welsh agriculture and family farms.

I would also highlight that many of the below and other priorities are highlighted in the FUW's 2021 Senedd Election Manifesto¹.

Yours sincerely



W GLYN ROBERTS
President

¹ https://www.fuw.org.uk/media/attachments/2021/04/09/senedd_manifesto-2021-interactive-eng.pdf

Farmers' Union of Wales response to a Senedd Climate Change, Environment and Infrastructure Committee request for views on the priorities of the Climate Change, Environment and Infrastructure Committee for the sixth Senedd term

10th September 2021

Energy

1. Farm businesses in Wales have embraced and invested heavily in renewable energy creation, with a vast range of different technologies and energy sources being harnessed on-farm.
2. In 2017, the Welsh Government announced a target of meeting 70 percent of Wales' electricity demand from Welsh renewable electricity sources by 2030. By 2018, 50 percent of the electricity consumed in Wales was generated from renewable energy sources, up from 19 percent in 2014 and 48 percent in 2017.
3. Notably, the introduction of Feed in Tariffs (FITs) in 2010 played a central role in more than doubling renewable energy production in Wales from 2014 to 2017 by posing as an incentive for farmers to invest in such production with minimum financial risk.
4. However, the abolition of FITs in 2019 has led to a significant slowdown in on-farm investment into renewable energy sources, consequently weakening the environmental benefits associated with private initiatives and diminishing the momentum of reaching Welsh Government's 2030 target.
5. Furthermore, the Welsh Government's business rates relief scheme, which provided more than £1 million to 52 privately-owned hydropower projects in 2020 came to an end for those private schemes this year - schemes for which a reassessment of rateable values in 2017 saw rates rise by nearly 1000 percent compared to a previous valuation in 2010 - significantly undermining the viability of such schemes and sending a negative message to those considering investing in renewable energy.
6. As the letter from the Ministers states, Welsh Government should see the devolved planning system as one of their "greatest levers" whilst ensuring that financial incentives (such as business rate relief, Feed in Tariffs and including renewable energy production as part of a future agricultural support scheme payment) are provided to ensure Welsh Government achieves their renewable energy targets.²

²<https://business.senedd.wales/documents/s116925/Letter%20from%20the%20Minister%20and%20Deputy%20Minister%20for%20Climate%20Change%20on%20the%20Welsh%20Governments%20priorities.pdf>

7. Therefore, the FUW believes the Committee should review and recommend ways for the Welsh Government to assist farmers to produce renewable energy, including through the reintroduction of financial incentives such as those listed above to support and benefit from farmers' ability and willingness to invest in renewable energy technologies as a vital part of meeting Wales' renewable energy targets.

Marine Energy Programme

8. Given that the FUW's Vision is thriving, sustainable, family farms in Wales, while the Mission of the Union is To advance and protect Wales' family farms, both nationally and individually, in order to fulfil the Union's vision, the Union will not comment on the Marine Energy Programme.

Climate Change and Net Zero

9. The FUW welcomes the fact that the Welsh Government's Climate Change Board is developing a holistic view on decarbonisation in recognition that it needs to take place across Wales' industries, particularly in relation to transport.
10. The Welsh Government's ambition for a net-zero public sector by 2030 is also welcomed. The Welsh Government's acceptance for meetings to be held remotely as opposed to in Cardiff has enabled the FUW to reduce its travel costs and emissions and therefore the Union hopes that this continues beyond the Covid-19 pandemic.
11. Whilst carbon offsetting and tree planting for the purpose of carbon sequestration (see below) is generating a great deal of discussion, particularly in the lead up to COP 26 and for the benefit of reaching net zero targets, the FUW would like to see a greater emphasis being placed on those sectors and portions of society with the greatest footprints reducing greenhouse gas emissions in the first instance.
12. The Wales Agriculture Bill and associated support schemes should include targeted financial support to aid the improvement of on farm efficiency in economic and environmental performance as an important part of reaching net zero, rather than focussing entirely on carbon offsetting initiatives such as tree planting.
13. Moreover, the FUW fully acknowledges that tackling the environmental challenges we face as a country and world are a priority that falls within the remit of all Senedd Committees - but that this should sit alongside, and not be allowed to eclipse the economic interests of the people and communities of Wales.
14. As such, while the FUW recognises the mandate of the Committee, it is believed that in all its deliberations the Committee should ensure the three pillars of sustainability - economic, environmental, and social - are given equal consideration and respect and taken forward in tandem by the Welsh Government and Senedd.
15. Furthermore, the FUW believes that the Committee should seek to identify how the use of carbon calculators, for the benefit of carbon auditing and calculating the amount of carbon being produced and stored in Wales, will be consistent and managed in a such a

way that enables Welsh Government to accurately measure progress towards net zero and pay farmers for carbon storage as part of the future support scheme.

Carbon Trading and Tree Planting

- 16.** Over a third of the total woodland area in Wales is situated on agricultural land, with a further 92,000 hectares (ha) found beyond defined woodlands, such as hedgerows and in-field trees. The FUW recognises that increasing the woodland area in Wales will play an important part of addressing the climate change emergency as well as to enhance biodiversity. However, it should be noted that Welsh Labour Senedd Members recognise that their target of planting 5,000 ha per annum is ambitious given that annual woodland creation has not exceeded 2,000 ha per annum since 1975 in Wales.
- 17.** Nevertheless, how these ambitious targets are achieved and funded will be crucial in ensuring that Wales' rural economies and communities are not adversely impacted as what occurred decades ago as a result of large scale conifer plantations.
- 18.** Already there are numerous reports of farms and farmland in Wales being bought by businesses and individuals from outside of the country for the purpose of tree planting and carbon offsetting. In some cases, they are also receiving grants from Welsh Government to plant those trees, allowing Welsh tax payers' money to be taken out of Wales and undermining Wales' ability to reach net zero through the virtual exportation of Welsh carbon.
- 19.** Yet, despite the call for increased tree planting, farmers continue to face major obstacles to accessing initiatives for woodland creation. The committee should ensure that lessons learnt from various Welsh Government enquiries into tree planting barriers are implemented.³
- 20.** The FUW believes that the Committee should evaluate how the impacts of tree planting can be mitigated through 'the right tree in the right place for the right reason' principle.
- 21.** The consequences of Wales' carbon being used to offset the emissions of other countries and industries on reaching Wales' net zero targets also requires immediate attention.
- 22.** Policies should focus on removing the barriers to tree planting and prioritising payments for the 'active farmer' rather than subsidising the landowners of Wales who are situated across the border to plant trees. This could be considered in line with the Economy, Trade and Rural Affairs Committee

³[Cynulliad Cenedlaethol Cymru | National Assembly for Wales Y Pwyllgor Newid Hinsawdd, Amgylchedd a Materion Gwledig | Climate Ch](#)

Nature, Biodiversity and the Environment

Scrutiny of the Sustainable Farming Scheme

- 23.** The proposed Sustainable Farming Scheme (SFS) will be the main delivery mechanism for enhancing biodiversity and the farmed environment. The FUW maintains that Welsh farmers have delivered on positive environmental outcomes for decades and must be fairly rewarded for what they have already delivered, continue to deliver and will deliver in the future.
- 24.** Despite there being a total of approximately 3,000 Glastir scheme contracts in Wales and the proposals around a future SFS would see a unique contract being created for each and every farm holding, it remains a struggle to obtain accurate and up to date figures on the work farmers have completed via Glastir schemes since it's introduction in 2012.
- 25.** The FUW has raised numerous concerns regarding the proposed future scheme being focussed entirely on public goods in response to the three consultations; Brexit and Our Land⁴, Sustainable Farming and Our Land⁵, Agriculture White Paper⁶, and Welsh Government must recognise that a holistic and Wales-based approach is required as emphasised in the joint FUW - NFU Cymru The Welsh Way Forward report.⁷
- 26.** Notwithstanding the design of a new scheme, there remains a lack of clarity regarding how and when the new scheme will work and be implemented despite the 2024 deadline for a Wales Agriculture Bill to be in place, making future planning, finances and investment difficult.
- 27.** The FUW would urge the committee to scrutinise the SFS and to note how little has changed despite three consultation papers in 2018. The Committee should recognise the policies being proposed in The Welsh Way report and FUW's consultation responses in sight of the direction Welsh Government is progressing with the future support mechanism in Wales.
- 28.** Furthermore, lessons learned from previous and current schemes should be used to form the new scheme, in addition to the data collected via RPW Online rather than attempting to create a new system from scratch.

⁴<https://www.fuw.org.uk/media/attachments/2020/01/22/brexit-and-our-land-consultation-response-oct-2018.pdf>

⁵[Sustainable Farming and Our Land](#)

⁶[Farmers' Union of Wales response to the Welsh Government's Agriculture \(Wales\) White Paper](#)

⁷ [A Welsh way forward](#)

Funding and Investment

- 29.** Uncertainty in regard to finances can act as a major barrier to a farmer's ability to invest and plan for the future. The Minister's letter states their aim to "*step up our investment in resilient ecological networks.*" However, the FUW maintains that cuts to Wales' agricultural and rural development funding by the UK Treasury will result in adverse impacts on Wales' rural economies and communities, as will cuts to agricultural and rural budgets implemented by the Welsh Government.
- 30.** Therefore, the FUW would suggest that the Committee should undertake an assessment of the impact cuts to agricultural budgets in Wales would have on the industry and Wales as a whole.
- 31.** Indeed, studies by the RSPB and National Food Strategy Team have concluded that in order to achieve biodiversity enhancement and climate change mitigation measures on farms alone (other objectives which justify funding aside), the agricultural budget would need to be increased⁸.

Global impact and off-shoring environmental impacts through trade deals

- 32.** Biodiversity loss is a global issue and there is a need for Wales to reduce its impact outside of Wales to tackle this problem. This is a refreshing acceptance of global responsibility by any Government, and reflects goals in the Future Generations Act to reduce the global impact of biodiversity loss.
- 33.** The international trading of agricultural products is particularly important in the context of global environmental impacts, especially given the agreed in principle free trade agreement between the UK and Australia.
- 34.** Food produced to lower standards has a direct impact on the environment. As stated in the UK National Food Strategy, "*food that is imported has a total impact on species loss ten times greater than the food we produce domestically.*"⁹ Therefore, it is imperative that Welsh producers are not placed at an uncompetitive disadvantage and undercut by cheaper food imports produced to lower standards.
- 35.** There is great concern that the liberalisation of trade between the UK and major net exporting countries such as Australia will result in a decline in domestic food production, shifting the environmental impact of producing food to another part of the world and making the global issue much worse.
- 36.** In this context, it is also notable that decisions taken by the Welsh Government and Senedd which add to restrictions and production costs for Welsh farmers will increase the competitive advantage of farmers in countries with which trade deals are struck,

⁸ 24 Rayment, M. (2019). Paying for public goods from land management: How much will it cost and how might we pay? A report for the RSPB, the National Trust and The Wildlife Trusts. Rayment Consulting Services Ltd. Available at: [https://www.wildlifetrusts.org/sites/default/files/2019-09/Paying for public goods final report.pdf](https://www.wildlifetrusts.org/sites/default/files/2019-09/Paying%20for%20public%20goods%20final%20report.pdf)

⁹ <https://www.nationalfoodstrategy.org/the-report/>

leading to reductions in domestic food production and increases in environmental damage in countries with lower standards.

- 37.** As such, the FUW believes the Committee should consider these trade deals as they emerge, in the context of how the importation of food produced to lower environmental standards could negatively impact on Wales' ambitions, how these might be mitigated by actions of the Senedd, and the additional adverse net impacts of domestic rules which add to the competitive disadvantages of Welsh farmers.

Grasslands and livestock for nature and biodiversity

- 38.** The FUW hopes that the Welsh Government will recognise that the agricultural areas of Wales categorised as LFA and SDA are 79% and 56% respectively and therefore disregard Defra's decision to exclude low input and unimproved grassland from its Sustainable Farming Incentive Scheme.¹⁰
- 39.** A simplistic tree planting and stock reduction approach (Land 'sparing') as proposed by some would fail to take advantage of Wales' best resources.
- 40.** Despite the fact that the Water Resources (Control of Agricultural Pollution) (Wales) 2021 regulations are in the process of being reviewed by the Economy, Trade & Rural Affairs Senedd Committee, the current approach will require huge investments into infrastructure and inevitable lead to many ceasing to rear suckler cows in the hill and upland areas of Wales where the vast majority of land is classed as LFA and SDA.
- 41.** Numerous studies have documented that reductions in grazing and subsequent loss in vegetation structure can result in adverse impacts for bird species such as the Golden plover and Curlew, now considered the most pressing bird conservation priority in the UK.
- 42.** An analysis by the charity Plantlife showed that *"...more than half of all wild plants need regular management or disturbance to thrive; 611 (39.6%) species will decline within a decade if the land on which they grow is simply abandoned and 127 (16.4%) will decline within 1-3 years. Moreover, of 112 Critically Endangered and Endangered vascular plant species, 84 (75%) will decline or even disappear if land is abandoned. Land abandonment and undermanagement is now identified as one of the major threats to sites where Red Data List plants grow and to open habitats in the UK and Europe."*¹¹
- 43.** It is evident that the loss of upland and hill reared suckler herds would result in the decline in species diversity and therefore the current approach would go against a longstanding policy of the Welsh government to support farmers through environmental schemes such as Glastir to animals in recognition of the benefit this provides for biodiversity.

¹⁰ <https://gov.wales/farm-incomes-april-2019-march-2020>

¹¹ https://www.plantlife.org.uk/application/files/6815/6475/5040/Rewilding_Position_Statement.pdf

44. The Committee should therefore ensure that future policies reflect Wales' unique assets and enhance biodiversity through active management approaches as scientifically proven rather than setting land aside.

Circular economy

45. The Minister's letter emphasised that another way to stimulate decarbonisation is to lengthen the use life of materials and meet needs using sustainable alternatives.

46. There remains a lack of initiative by the Welsh Government and Local Authorities when it comes to the use of local food products in schools, hospitals and other public sectors.

47. The FUW has long maintained that the Welsh Government should seek to include Welsh wool when it comes to public procurement policies, particularly for the use of carpets and seats in new Welsh Government buildings.

48. Yet, the closure of global wool markets due to the Covid-19 pandemic and the backlog of wool and significantly low prices paid to producers has reinforced the Union's position as the British Wool industry recovers.

49. Therefore, the FUW believes that the Committee should explore ways in which the Welsh Government can enhance public procurement across all Local Authorities and include British Wool to increase the use of such renewable, natural fibres in Welsh Government buildings.

Digital Infrastructure and Data

Improve rural broadband speeds

50. More than half of those living in rural areas do not have access to internet speeds of 10Mbps per second¹². The FUW has campaigned relentlessly over recent years for the reliability and speed of rural broadband to be improved.

51. The FUW is fully supportive of moves which encourage the use of online services where they are available and practical in order to reduce administrative burdens and minimise the risk of errors, and has demonstrated this in terms of our support for RPW Online and the instrumental work the Union has played in completing online SAF submissions on behalf of its membership.

52. However, many farmers are still unable to complete online SAF, BCMS or EIDCymru submissions due to poor broadband, therefore the importance of investing into such

¹² <https://www.ukonward.com/wp-content/uploads/2021/08/NFU-Onward-Summary-Report.pdf>

infrastructure must be recognised before introducing an online multispecies traceability system, Cattle EID or online resources as part of a future agricultural support scheme.

- 53.** The FUW believes that this Committee should push the Welsh Government to invest in rural infrastructure to enable farm businesses to capitalise on digital connectivity opportunities and not be left behind, further increasing the digital divide between urban and rural areas.

Improved data collection and sharing

- 54.** Improved data collection and use was one of many key elements included in the Welsh Government's Agriculture White Paper proposals. Wales' state-of-the-art RPW Online system efficiently and accurately collects annual data relating to 170 types of land use on hundreds of thousands of field parcels and areas throughout Wales, while also collecting many other types of data relevant to Wales' wellbeing, business practices, carbon sequestration and other environmental goods.
- 55.** Such data covers around 90 percent of Wales' land area and the overwhelming majority of Welsh farm businesses, yet minimal use of such data has been made by the Welsh Government.
- 56.** Moves must be made to better utilise such data while simultaneously reducing the duplication of providing information to different regulatory bodies. Improving digital services will in turn reduce administration costs for farmers and the Welsh Government.
- 57.** The FUW would urge the Committee to ensure that as part of the future SFS, the current data recording system is improved and adapted as opposed to being superseded by a brand new system.
- 58.** The FUW also has major concerns regarding the quality of data being gathered through satellite imagery and other means whereby farmers are penalised for complex mapping issues.