

MANIFESTO

2019



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President's foreword

The two and a half years since the last election has marked an unprecedented period in UK politics, as Brexit has split Parliament, political parties and the nation, leading to fifty ministerial resignations, expulsions from and defections between parties and the defeat of the UK Government in a series of court cases both in England and Scotland.

Whilst some have sought to paint Brexit as a simple process, and those who oppose implementing it rapidly as failing to respect the outcome of the referendum, the events since the May 2017 election have confirmed the FUW's view, made clear the day after the EU Referendum, that Brexit should take place over a safe and realistic timescale.

I therefore make no apology for standing by my Union's view that the rate and manner in which Government and Parliament have sought to implement the outcome of the EU Referendum has represented anything but a smooth transition over a safe timescale, as political priorities and timescales have been placed firmly above the interests of our nations by many.

This has caused immense damage to the UK's relationship with our key trading partners in the EU, grossly undermined our international reputation and further split our already divided nations.

Whoever is elected to Parliament, and whichever party, or parties, take Government, the FUW believes they must strive to bridge the divides that have built up since June 2016, and recognise that this can only be done over time and by working respectfully with those whose views differ.

Politicians must be truthful with themselves and the electorate about the timescales needed to make changes which honour the vote to leave the EU while also respecting the majority who opposed leaving without an acceptable trade agreement, in a reality where even the softest of Brexits will require vast changes and work to be done over many years.

Whether healing divides takes years or decades, and whatever trading arrangements are in place when Brexit is truly implemented, our nations deserve to see food continuing to be produced in the UK to the highest standards by family farms which play a central economic, cultural and environmental role in our landscapes.

Foremost amongst the challenges we face is that of climate change, and our farming industry can and must play a central role in mitigating the risks we now face, and in a way which does not compromise food production and the family farms which hold together the social fabric of our hill, upland and lowland communities.

With the issue of Brexit being a key focus of current election campaigning, this manifesto relates the FUW's policies on how our future relationship with the EU and the rest of the World should develop.

However, it also deals with other matters of central long term importance to our industry and nations, of which climate change is just one, alongside matters such as tackling bovine TB and boosting our tenanted sector.

Since 1977 the FUW has been formally recognised by Governments as representing the views of farmers in Wales. We have no influences from outside Wales, and speak exclusively on behalf of Wales' family farms.

As a neutral organisation not affiliated to any political party, we have a duty to work with both the Government of the day and opposition parties, irrespective of their political persuasions.

For the period of the next Parliament and beyond, the FUW is committed to lobbying and working with all those in Westminster to ensure that Welsh agriculture and Wales' family farms receive the attention and respect that they warrant - for the sake of all our futures.

A handwritten signature in black ink that reads "W. G. Roberts". The signature is written in a cursive style with a large, stylized 'R'.

Glyn Roberts
President, Farmers' Union of Wales

Brexit transition

Since the 23rd June 2016, the FUW has called for Brexit to take place over a safe and realistic period, and for politicians to be honest with the general public and themselves about the dangers of attempting to rapidly unravel the UK from EU institutions and budgets, change domestic arrangements and legislation, negotiate new trade terms and deal with issues such as border controls and immigration.

These warnings have been ignored, and despite successive extensions to the two year Brexit countdown triggered by Theresa May in March 2017, the National Audit Office and others have highlighted the failure - despite valiant efforts costing billions - of UK departments to fully prepare for the consequences of all but the softest forms of Brexit, while extreme differences of opinion as to what version of Brexit should be supported has led to political gridlock, constitutional crises, and even the threat of a return to hostilities on the island of Ireland.

As matters currently stand, a modified Withdrawal Deal and Political Declaration agreed on 17th October 2019 would effectively move the EU border to the Irish Sea, leaving Northern Ireland subject to most EU rules and institutions, while watering down any commitment to consideration of aligning UK and EU rules in a final trade agreement with the EU.

While it remains to be seen whether such a deal will be passed by the next Parliament, such agreement would merely set the stage for the next round of Brexit negotiations - negotiations which would, notwithstanding further extensions, have to be concluded before the end of 2020.

Given such a short timetable, and that the new Political Declaration has further increased the likelihood of a final UK-EU trade deal that restricts vital access to EU markets for Welsh products, while also opening up our markets to non EU goods produced to health and welfare standards which would be illegal in the UK, the FUW believes that the current deal is unacceptable.

Following similar concern in January 2019 regarding the nature of Theresa May's Withdrawal Deal and Political Declaration, the FUW adopted the view that Article 50 should be revoked in order to restore UK control over the Brexit process and allow time for a deal to be negotiated which maintains maximum unfettered access to the EU market in the long term.

This remains the Union's position, and whilst many fear that the UK now has no choice but to agree to the new withdrawal arrangements or risk a no-deal Brexit at

the end of January 2020, it is clear that this is a self-imposed deadline which can be avoided by revoking Article 50.

Such a move would genuinely 'take back control' of the Brexit process and allow political consensus to be built around an agreement which takes full account of the varying interpretations of Brexit supported in 2016 by 52% of the electorate as well as the views of the 48% who voted against leaving the EU.

The FUW therefore calls on the incoming UK Government to:

- **Immediately revoke Article 50 in order to take control over the Brexit process and ensure agreements on trade and other matters which are in the interests of Wales and the UK can be reached with the EU over a realistic period**
- **Otherwise, ensure that the withdrawal period is extended sufficiently to ensure agreements on trade and other matters which are in the interests of Wales and the UK can be reached with the EU**
- **Recognise that no responsible UK Government would allow the UK to leave the European Union without a close trading arrangement**

A final Brexit deal

For Wales, the implications of a 'hard Brexit' and therefore losing free access to the EU's Single Market are particularly acute: Around two thirds of identifiable Welsh exports go to EU countries, while many of our major employers base their companies here specifically because we have access to the EU's 500 million consumers without the costs and hindrance of border controls and World Trade Organisation tariffs.

As an industry, Welsh agriculture is particularly vulnerable to the impacts of losing access to the affluent mainland European markets which are on our doorstep; a third or more of Welsh lamb is exported to the continent, and the loss of access to the EU market in 1996, 2001 and 2007 due to animal diseases caused catastrophic collapses in farm incomes from which many businesses did not recover.

Moreover, despite the UK being a net importer of food, our food supply chains extend across the EU, with processors relying on EU export markets to minimise waste and add value to produce; for example, EU markets account for 70% 90% and

95% of pig, beef and sheep meat exports, while around £1.3 billion worth of dairy exports - 90% by volume of exports - are destined for the EU market each year.

In the event of a no-deal Brexit, the EU would be duty bound, under WTO rules, to charge the same import tariffs on UK products as it does to all non-EU members with which it does not have a trade deal. For key Welsh and UK agricultural products these rates can be 50% or more of a product's value, meaning the value of our exports would be slashed, and key export markets lost.

Moreover, a no-deal Brexit, or a failure to reach an agreement which encompasses food standards and related border checks, would result in further barriers for UK exporters in the form of costly red tape at EU ports.

As such, if post-Brexit trade arrangements with the EU have the effect of severing the well-established supply chains which currently extend across Europe, disruption and adverse economic impacts would be widespread.

Given livestock and livestock products make up 51 and 35 percent of Welsh agricultural output respectively, and the particular importance of the sheep industry, the adverse impacts for Wales of a no-deal scenario, or a trade deal which fails to maintain unfettered access to EU markets, would be particularly acute.

The FUW therefore calls on the incoming UK Government to:

- **Seek to reach a long term agreement with the EU which maintains simple and tariff-free access to the EU's Single Market**
- **Ensure transitional and post-Brexit trade arrangements do not sever established supply chains which are of importance and add value to Welsh and UK produce**

Non-EU trade agreements

As the UK seeks to forge a new place in the world outside the EU, there is much talk of free trade agreements with other countries and trading blocs, and the political impetus to be able to demonstrate such agreements can be quickly reached brings with it the danger that deals which disadvantage many of our industries will be hurriedly signed during a withdrawal period and post-Brexit.

Moreover, with the advent of the new Political Agreement with the EU, and in particular the abandonment of the commitment to consider aligning with EU rules in relevant areas, comes increasing speculation that a future UK Government will seek to open access to the UK market for food products produced to health and welfare standards that would be illegal in the UK.

Whilst such speculation has focussed on the possibility of a trade deal with the USA opening our market up to products such as hormone treated beef and chlorinated chicken, the risks of equally disadvantageous deals with other major trading blocs must also be recognised - not only in terms of their adverse impacts on UK producers and standards, but also the fact that they would lead to the EU raising barriers for our exports in order to ensure the UK does not become a back-door for non-EU products.

For our agriculture and food industries, which employ 3.5 million in the UK, the adverse impacts of a disadvantageous trade deal which liberalises food imports would therefore be catastrophic, while imports from countries which have animal health and welfare and environmental standards which fall well below those demanded in the UK would bring major risks in terms of UK human and animal health.

Similarly, such liberalisation would lead to greater imports of food produced to environmental standards far lower than those required in the UK, leading to a net increase in global and local environmental damage.

As such, while Brexit does provide some opportunities to open up new markets for UK agricultural products, Governments must be realistic about the scale of such opportunities given past experience in trying to gain access to and expand non-EU markets; the proximity, affluence and sizes of such markets; and the time taken to negotiate most trade agreements.

The FUW would therefore urge the next UK Government to:

- **Investigate opportunities to develop new trading arrangements with other countries and trading blocs which benefit primary producers and open up or expand markets**
- **Set UK tariffs and Tariff Rate Quotas (TRQs) at levels which ensure food security, rural incomes, and local food production are prioritised and protected during future negotiations**
- **Prioritise negotiations with and access to the vast and affluent market which is on our doorstep, in the form of the EU**

Import tariffs

In March 2019, the UK Government published a draft schedule of the WTO tariffs that would apply for goods imported into the UK after Brexit, the majority of which remained unaltered after a review in the summer of 2019.

Whilst the tariffs proposed for sheepmeat imports match those for the EU, given the agreement already reached with New Zealand to accept large volumes of tariff-free lamb, the impact of such a rate would be negligible compared with the dire EU tariffs would have on the 30% or more of Welsh lambs exported to the continent.

By comparison, the tariff rates proposed for imports to the UK of most agricultural goods are a fraction of the rate set for imports into the EU, while high Tariff Rate Quotas (the volume limit below which import tariffs are lower or set at zero) for many products mean large volumes would be imported into the UK without any tariff having to be paid.

Examples showing the difference between proposed UK and set EU tariffs for selected agricultural products are given overleaf.

Comparisons between proposed UK import tariffs and those which apply for imports to the EU for a selection of agricultural products. Where tariff rates are expressed as a percentage, this represents a percentage of the value of the product - for example, if the market price for a product was €5 per kilogram and the tariff rate was 40% + €1/kg, the tax applied on imports would be 40% × €5 + €1 which is a total of €3 or 60% of the product value. Figures based on 2016-2018 average prices are courtesy of AHDB

Beef	EU Tariff rate	UK Tariff rate	EU rate based on 2016-18 average prices	UK rate based on 2016-18 average prices
Carcases or half-carcases	12.8% + €1.77/kg	Zero for first 124,000 tonnes then 6.8% + €0.93/kg	70%	37%
Compensated quarters, bone-in	12.8% + €1.77/kg	Zero for first 124,000 tonnes then 6.8% + €0.93/kg	77%	40%
Boneless cuts	12.8% + €3.03/kg	Zero for first 124,000 tonnes then 6.8% + €1.60/kg	41%	35%
Frozen boneless forequarters (maximum 5 pieces) or compensated quarters in two blocks	12.8% + €2.21/kg	Zero for first 56,000 tonnes then 6.8% + €1.17/kg	120%	63%
Frozen boneless crop, chuck-and-blade and brisket cuts	12.8% + €2.21/kg	Zero for first 56,000 tonnes then 6.8% + €1.17/kg	67%	36%
Frozen other boneless cuts	12.8% + €3.04/kg	Zero for first 56,000 tonnes then 6.8% + €1.61/kg	150%	79%

Butter and fats/oils derived from milk	EU tariff rate	UK tariff rate	EU rate based on 2016-18 average prices	UK rate based on 2016-18 average prices
Natural butter, fat content <=85%, in immediate packings of <=1kg	€1.90/kg	€0.61/gk	38%	12%
Natural butter, fat content <=85%, in immediate packings >=1kg	€1.90/kg	€0.61/gk	46%	15%
Butter Of A Fat Content, By Weight, Of >85% But <=95% (Excl. Dehydrated Butter and Ghee)	€2.31/kg	€0.74/kg	55%	18%
Other fats & oils derived from milk, fat content >=99.3%, water content <=0.5%	€2.31/kg	Zero	49%	0%

Milk & cream, not concentrated or sweetened	EU Tariff rate	UK Tariff rate	EU rate based on 2016-18 average prices	UK rate based on 2016-18 average prices
Fat content 1-3%, in immediate packings of <=2 litres	€0.19/kg	Zero	27%	0%
Fat content 3-6%, in immediate packings of >2 litres	€0.22/kg	Zero	56%	0%
Fat content 21-45%, in immediate packings of >2	€1.09/kg	Zero	26%	0%

Cheese	EU tariff rate	UK tariff rate	EU rate based on 2016-18 average prices	UK rate based on 2016-18 average prices
Fresh Mozzarella, fat content <=40%	€1.85/kg	Zero	61%	0%
Unripened cheese, fat content >40%	€2.21/kg	Zero	71%	0%
Grated or powdered cheese	€1.88/kg	€0.25/kg	36%	5%
Cheddar	€1.67/kg	€0.22/kg	57%	7%
Cantal, Cheshire, Wensleydale, Lancashire, Double Gloucester, Blarney, Colby and Monterey	€1.51/kg	Zero	45%	0%

As warned repeatedly by the FUW, setting such unfavourable rates not only compromises UK producers by handing over cheap access to competitors in other countries, but also weakens the UK's trade negotiating position by handing over access which would otherwise be part of trade negotiations.

Such concerns appeared to have been confirmed earlier in 2019, when the Canadian Government abandoned talks with UK negotiators on 'rolling over' the EU-Canada Comprehensive Economic and Trade Agreement, allegedly because the UK's draft tariffs were so advantageous to importers as to render a trade deal of little additional benefit or advantage to Canada.

Given such concerns, the FUW calls on the incoming UK Government to:

- **Introduce an alternative to the Import Tariff (Reduction) Bill 2017-19 which sets UK import tariff rates at levels which match EU import tariff rates**
- **Ensure such a Bill sets Tariff Rate Quotas at levels which are sufficiently low to protect all UK agricultural producers and sectors, and the communities and supply chains they support**

Border controls

Under the latest EU withdrawal agreement negotiated between the UK and European Commission, Northern Ireland and Great Britain would be included in a single area in which UK tariffs for imports will apply.

However, a dual tariff regime would operate in Northern Ireland, meaning customs checks would apply for goods moved between Great Britain and Northern Ireland, and EU tariffs would be charged on goods moving into Northern Ireland from Great Britain or outside the EU where it is considered they are likely to end up on the EU market.

Similarly, in the event that goods enter Northern Ireland from the European Union and are subsequently exported to Great Britain, it should be expected that these are subject to checks at Great Britain's ports to ensure they meet British standards, and that appropriate tariffs are charged on such goods - as should be the case for imports from all countries, including in the event that we leave the EU without an agreement.

Yet in early November the Prime Minister stated that such checks would not take place for goods crossing from Northern Ireland to Great Britain, and while the Government had previously claimed such goods would be subject to 'exit declarations', preparations for undertaking such checks seem negligible - thereby opening up the risk of unchecked, tariff free imports from the EU entering our mainland markets.

The FUW has also raised concerns regarding the proposal that, even in the event of the UK leaving the EU without a deal, checks and tariffs would not apply for goods crossing from the Republic of Ireland into Northern Ireland, and in a March 2019 letter to the Chancellor of the Exchequer warned that "...this would clearly allow any country in the Single Market to import goods into the UK duty-free via the Republic..." highlighting the likelihood that this would open a back-door to smuggling onto the mainland unless customs controls at ports such as Liverpool are enforced rigidly.

Given such concerns, the FUW calls on the incoming UK Government and Parliament to ensure:

- **Customs checks are properly enforced at all points of entry to Great Britain**
- **Rigorous checks are applied to ensure all imports comply with current Sanitary and Phytosanitary regulations**
- **No goods enter Great Britain without the correct tariffs being charged**
- **Statistics relating to all imports, inspections and tariffs charged are published regularly in order to provide confidence that customs controls are being properly implemented**

Migration and work

Over recent decades the UK food industry has become increasingly reliant on workers from outside the UK, and while farm production in regions such as the eastern England is often associated with relatively unskilled seasonal migrant workers, much of the work undertaken throughout the supply chain is in fact highly skilled, and often carried out by individuals who have been resident in the UK for many years.

Examples of such skilled workers include dairy workers and those employed in the food processing sector, including veterinary inspectors in slaughterhouses 95% of whom are estimated by the Food Standards Agency to come from outside the UK,

with the majority coming from the EU. Similarly, a recent Royal College of Veterinary Surgeons (RCVS) survey of those working in private practices found that one in four came from the EU, EEA or EFTA.

With Brexit expected to bring an increase in demand for veterinary certification and supervision, and predictions that a no-deal scenario would increase demand for export health certificates from 18,000 to 1.9 million in Northern Ireland alone, there is clearly a need to ensure that veterinarians from outside the UK continue to be able to play a central role in our supply chains.

Whilst maintaining the provision of veterinary services throughout the food supply chain is essential, access to non-veterinary skilled and unskilled workers from outside the UK is also essential, and it is highly concerning therefore that the Home Office's Immigration White Paper proposes to restrict immigration using a definition of 'skilled workers' based on those earning £30,000 or more - a salary which is well below that of many of the skilled and highly respected individuals working in our supply chains and elsewhere.

As such, the FUW calls on the incoming UK Government and Parliament to:

- **Protect the rights of EU nationals already undertaking work directly or indirectly associated with the UK food supply chain**
- **Ensure adequate access to the UK market for seasonal workers**
- **Lower the skilled worker threshold of £30,000 to ensure skilled workers from the EU are properly recognised and can work freely in the UK food supply chain**

A UK framework for agriculture

Countries agreeing on closer trade arrangements will generally agree on frameworks in addition to those set out by the World Trade Organisation, in order to minimise distortion and maintain national standards while allowing commodities to pass between countries in ways which ease trade. The general rule is as intuitive as the rationale which underpins the principle of such frameworks: When barriers to trade between countries are lowered, the need for agreed frameworks which prevent market distortion and increase commonality grows.

As the United Kingdom prepares to leave the EU and the legal and financial frameworks defined through the Common Agricultural Policy (CAP) and other

legislation, there is an acute need to develop replacement frameworks given that goods will continue to pass without obstacle between our nations - Wales, England, Scotland and (notwithstanding barriers inherent to the new Withdrawal Agreement) Northern Ireland.

In any other circumstances, the need to establish meaningful financial and regulatory frameworks for agriculture would have received rapid recognition throughout the UK; yet the upheaval caused by Brexit, coupled with numerous political and practical concerns, agendas and obstacles has left us with a relative void, opening up the risk that gulfs between national policies will lead to major trade distortions and gross disadvantages for some farmers, regions and sectors.

Following consultation with members, the Farmers' Union of Wales agreed in September 2016 that frameworks should be established which prevent unfair competition between our nations and secure and protect adequate long term funding for agriculture, whilst respecting devolved powers and the need for flexibility which allows national governments to make decisions which are appropriate for their regions.

In October 2017, the UK, Welsh and Scottish Governments agreed that common frameworks should be established where they are necessary in order to:

- *Enable the functioning of the UK internal market, while acknowledging policy divergence*
- *Ensure compliance with international obligations*
- *Ensure the UK can negotiate, enter into and implement new trade agreements and international treaties*
- *Enable the management of common resources*
- *Administer and provide access to justice in cases with a cross-border element and*
- *Safeguard the security of the UK*

Whilst such aims are appropriate, and some progress has been made in terms of 'scoping exercises' and the establishment of a five-phase process (stage two of which is currently underway), compared with the background of existing comprehensive EU frameworks based on achieving the same objectives, progress to date has been negligible.

This gives rise to major concerns, many of which have been brought into stark focus by the differences between the stated aspirations of the Welsh, Scottish and English administrations in terms of future agricultural policies.

Moreover, in relation to the objectives of enabling the functioning of the UK internal market and minimising unfair competition between farmers in our different nations, it might be argued that the freedom for agricultural policies in our four nations to diverge has not been so great since the last Act of Union.

Whilst the UK Agriculture Bill seeks to set out a generic framework for Wales, England and Northern Ireland, and makes a number of welcome proposals, the initial frustrations expressed by the Welsh Government and ongoing criticisms of the Scottish Government make it clear that the Bill was not drafted in light of anything like the level of negotiation and scrutiny which leads to the formulation of comprehensive EU frameworks.

Moreover, while some elements of the bill place what the FUW regards as an overly narrow focus on longstanding Defra/ Treasury Public Goods policies, compared with current EU frameworks it facilitates freedoms for policies and rural spending to diverge to an unprecedented and unacceptable degree.

Moreover, if passed, such an Act would only mark a step towards separate Welsh and Scottish (and presumably Northern Irish) Agriculture Acts which, based on the current lack of progress or agreement on common objectives, would be formulated with only vague consideration of concerns such as the need to prevent market distortion and unfair competition.

The current CAP provides a policy framework based on a host of agreed global and pan European challenges through three overarching principles, within which a further eleven priorities and actions are defined.

Similarly, the 2021 CAP framework is being developed with nine key principles in mind, namely:

- To ensure a fair income to farmers
- To increase competitiveness
- To rebalance the power in the food chain
- Climate change action
- Environmental care
- To preserve landscapes and biodiversity
- To support generational renewal
- Vibrant rural areas
- To protect food and health quality

Once we leave the EU there is a clear rationale for our nations to agree on a successor which comprehensively recognises the common challenges and interests which exist across the UK, while simultaneously respecting devolution.

As things currently stand, no such comprehensive framework has been agreed, meaning our nations are free to design policies which may not only differ significantly in terms of key objectives, but do so to the extent that they contradict each other or even undermine common interests and the functioning of the UK's internal markets and supply chains.

It is therefore in all our interests for our four nations to agree on common policy objectives.

In light of these concerns, the next UK Government should:

- **Work in genuine partnership with the agricultural industry and devolved administrations to develop a framework of common principles which should underpin further policy development, whether this is undertaken jointly or in each of the four nations**
- **Ensure that the economic and environmental sustainability of family farms and rural communities, and fair and safe food supply chains are foremost amongst those principles**
- **Introduce a new or revised Agriculture Bill which takes proper account of these principles and in particular social outcomes, and is not overly focussed on the delivery of Public Goods**

A fair funding framework

Critical to the functioning of appropriate rural policies is the allocation of fair budgets which reflect the needs of each of the UK nations.

Whilst successive assurances by UK Ministers that funding currently delivered through the Common Agricultural Policy will not be reduced after Brexit have been welcome, there continues to be ambiguity around the meaning of such commitments in terms of how funding will be allocated, administered and transferred to devolved nations.

Moreover, without assurances to the contrary, there are major concerns that rural budgets may be subject to disruptive and damaging annual variations.

The FUW has made it clear that post-Brexit national allocations of rural budgets should be multiannual, remain at least at current levels, and must be ring-fenced to prevent governments diverting funding to other areas in a manner that leads to major differences between national spending.

Welsh First Ministers Carwyn Jones and Mark Drakeford have supported these views, and there is a general acceptance, including by Secretary of State Michael Gove, that the provision of rural funding through the Barnett Formula would be wholly unacceptable due to the acute reduction in national allocations received by Wales, Scotland and Northern Ireland which would accompany such a move. Given the uncertainties facing each of our nations as a result of Brexit and the political tensions around the issue, any reductions in allocations, would compound existing challenges; moreover, there is a compelling argument for increases in allocations, given the acute problems which could face many of the UK's agricultural sectors post Brexit.

However, in the short term, steps must be taken to put in place a mechanism by which ring-fenced funding can be allocated to the devolved regions outside the Barnett Formula, while in the longer term the current historical allocation needs to be superseded by a formula which fairly reflects regional needs without distorting markets.

Under the current rural support regime, strict rules exist that govern the proportion of national co-funding which can complement EU funding; post Brexit, rules also need to be in place which serve the same function in terms of preventing excessive national contributions from distorting markets and introducing unfair advantages.

Whilst reaching agreement on the Common Objectives which should underpin a UK policy frameworks is essential, without associated spending thresholds for each objective there is a risk of significant divergence between national spending which results in disruption and market distortion.

As such, spending thresholds need to be agreed which provide flexibility which reflects devolved powers and varying national priorities, while also ensuring relative uniformity, to the extent that market distortion and other adverse effects are minimised.

The FUW calls on the incoming UK Government and Parliament to ensure:

- **National allocations of rural funding remain at least at current levels**
- **A multiannual financial framework is established which minimises annual fluctuations in rural budgets and allocations**
- **A fair funding formula is agreed with devolved nations which objectively and fairly reflects regional needs without distorting markets**
- **Rural funding is ring-fenced, and uniform spending thresholds for common priorities are agreed with devolved nations which provide flexibility to reflect devolved powers and varying national priorities, while also ensuring relative uniformity in order to minimise the risk of market distortion**

Climate change and renewable energy

The scientific evidence that man-made climate change continues to lead to global temperature rises is unequivocal; carbon dioxide levels are now higher than at any point in the past 800,000 years, while almost every year since 1950 has been overwhelmingly warmer, with higher temperature rises, compared with the averages and fluctuations seen during the previous two thousand years.

Extreme and catastrophic weather events in recent years - be they droughts, floods, hurricanes or other damaging events - support scientific predictions that rising temperatures will lead to increases in the frequency and intensity of such events.

Whilst there are still many who are sceptical about the link between human activity and climate change, the consequences of ignoring such evidence and predictions and being shown to be wrong do not bear thinking about, and every business, household and government has a duty to take action to reduce greenhouse gas emissions.

Whilst a barrage of misleading media reports may have led many to believe that UK agriculture, and livestock farming in particular, is responsible for the majority of UK greenhouse gas (GHG) emissions, the most up to date figures show agriculture to contribute 10% of total UK emissions, with methane from livestock contributing 5.6%

This compares with 27% from transport, 24% from energy supply, 17% from businesses and 15% from residences.

There is also growing evidence that the true impact of UK agriculture and livestock farming in particular continues to be exaggerated by those with ulterior motives, be it moral objections to eating meat and animal products, a wish to distract attention away from other key polluters, or even food businesses wishing to promote non-meat diets based on foreign agricultural production which is far less sustainable than UK agriculture.

Moreover, the fact that grazing livestock are critical to ecosystems, including on the 60% of UK land not suitable for growing crops, and to maintaining healthy soil structure and fertility on what land is suitable for grain and vegetable production is often ignored, as is the fact that holistic analyses show beef and lamb to be less land-intensive and more sustainable than chicken and pork production.

As such, misinformation about the role of agriculture, and red meat production in particular, propagated by the media, is leading UK and global consumers to make changes to diets and behaviors that are damaging to our climate and ecosystems, and action needs to be taken to redress current misapprehensions.

Notwithstanding this, our agricultural industries have a duty to take further action to reduce their carbon footprints, not only in terms of the ways in which food is produced, but also through other actions that help mitigate climate change.

One key role played by our agricultural industry in recent decades has been in relation to renewable energy production; between 1990 and 2017 the contribution of energy supply to the UK's greenhouse gas emissions fell by 60% with renewable energy produced on farmland playing a central role in this reduction.

Critical to this positive impact were UK Government initiatives which allowed farmers to invest in renewable energy production with minimum financial risk - central to which were the Feed in Tariffs introduced in 2010, which were instrumental in more than doubling renewable energy production in Wales in the period to 2017.

Changes to policies, and the ultimate abandonment of Feed in Tariffs in 2019, have led to a significant slowdown in on-farm investment in renewable energy, and whilst investments by some large and multinational companies in renewables continues, such investments do not bring with them the social and environmental benefits of private initiatives.

The Incoming UK Government and Parliament should therefore:

- **Recognise the key role agriculture and grazing livestock should continue to play across the UK in terms of the sustainable production of food, and the environmental and economic damage likely to be caused by public misapprehensions about red meat in particular**
- **Seek to redress public misapprehensions about the contribution of UK red meat production to climate change**
- **Increase funding for research into sustainable farming which reduced greenhouse gas emissions without compromising productive capacity or productivity**
- **Reintroduce attractive renewable energy production schemes which incentivise farmers and local communities to invest in schemes that will restore the previous growth in local renewable energy production**

Our farmed environment

Over thousands of years, agriculture has created a myriad of landscapes and environments which define our national identity and play a key part in the physical and mental wellbeing of millions of residents and visitors to the countryside each year.

While many recognise the central role agriculture plays in maintaining our countryside, misconceptions regarding that relationship abound, often promoted by bodies and a media which prefer to scapegoat agriculture rather than accept truths about our natural world which they find unpalatable.

Meanwhile, there are those who are more overt about their contempt for agriculture and the desire to replace our rural communities with an abandoned 'rewilded' landscape – moves which would have catastrophic impacts for our semi-natural environment and rural economies.

Such ideas are recognised by most as belonging firmly in the era of colonialism, but there is a real danger that such ideas have gained political purchase amongst some – particularly where misinformation has reinforced existing prejudices.

Yet with appropriate recognition of the role agriculture must play in providing food, protecting the environment and negating climate change, farming has a central role to play in helping the UK rise to the unprecedented challenges our world faces.

The FUW urges the incoming UK Government to:

- **Recognise and affirm the key role agriculture plays in maintaining our landscape and environment**
- **Ensure that environmental and other targets set for the UK farming industry do not result in unfair competition and increased imports from countries which have far poorer standards than those which exist in the UK**
- **Recognise the key contribution the industry makes in terms of local food production, carbon sequestration and food security**
- **In light of Brexit, and alongside devolved administrations, review all environmental regulations which fall within its scope to ensure they are proportionate and realistic**
- **Redouble efforts to develop means by which farmers can be rewarded by the public sector for delivering environmental goods**

Farming and forestry

Given the urgent need to reduce greenhouse gas emissions, the role played by soils and plants in sequestering carbon is rightly attracting significant attention, with a particular focus on the planting of trees.

Within the past century, the area of woodland in Wales increased threefold, from 5% in 1919 to around 15% in 2016, with mainly deciduous farm woodlands making up 30% of the area.

It is important that UK and national policies continue to promote woodland planting, and it is notable that while many Welsh farms have increased their woodland areas significantly in the past decade, others have come up against major obstacles and red tape.

The experience over the past century also highlights the damage that well intentioned policies aimed at increasing woodland areas can have, as large-scale planting by the Forestry Commission and private companies on land previously used for livestock production has devastated ecosystems and communities, and led to the release of carbon from areas of peat and wetlands.

Whilst the GVA per hectare of forestry and logging in Wales is significantly lower than that of agriculture, managed woodland does make an important contribution

to local economies, as well as helping to mitigate climate change and provide renewable fuel.

By contrast, afforestation through rewilding - a romantic policy invariably advocated by those who are indifferent to or have no first-hand experience of the ecological damage done by land abandonment and afforestation - has no such economic or environmental values.

Moreover, with rewilding having been shown to have no positive effects on biodiversity in more than half of 255 examples studied around the globe; the removal of agriculture directly associated by scientists with habitat and species loss in examples from around the world, including the UK; and the charity Plantlife warning 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"*, Governments should clearly oppose such approaches.

The FUW calls on the incoming UK Government to:

- **Work with national administrations to ensure farmers can play a part in storing carbon, including by planting woodland without undermining farm capacity**
- **Invest in further research into agro-forestry**
- **Ensure the damage done to ecosystems and communities by previous large-scale afforestation is not repeated**
- **Create supply chains which improve the market for timber from sustainably managed farm woodland**
- **Support conservation while opposing large-scale rewilding projects in order to prevent environmental and economic damage to rural areas**

Animal health and welfare

Welsh farming remains proud of its consistently high standards of animal health and welfare, and the industry contributes substantially to the overall cost of animal health and welfare in Wales.

Despite increasing input costs and low profitability, primary producers have to bear significant costs relating to public health and legislative bureaucracy, despite

overwhelming evidence that many such measures are disproportionate, inefficiently implemented and/ or unsupported by the latest scientific evidence.

The FUW maintains that costs to industry should be minimised and remains fundamentally opposed to a cost-sharing agenda which would further undermine the viability of our farms.

Some of the most significant costs to industry and Government have, over the past two decades, resulted from the introduction of exotic diseases into the farmed environment in a manner which is beyond the control of farmers – with Foot and Mouth disease being the most notable example.

There remains a need to recognise the devolved nature of animal health and the need to work closely with the devolved administrations is often overlooked. Indeed, moves aimed at ensuring appropriate monitoring of animal movements within the UK have failed to properly respect devolved responsibilities and the need for joined-up approaches when it comes to the movement of animals between devolved regions – most notably with regard to the creation of sheep movement databases.

The FUW therefore calls on the next UK Government to:

- **Recognise and affirm the high standards of animal health and welfare which exist in Wales, and ensure that costs pertaining to animal health, and any associated bureaucracy, are proportionate, supported by the latest scientific evidence and do not disadvantage Welsh producers in the European market**
- **Ensure that Brexit does not hinder the collaborative disease surveillance networks that have been established with EU Member States to share disease information and to provide early disease alerts and warning systems**
- **Protect the current GB scanning surveillance budget and ensure that the devolution of animal health powers is properly recognised, including where databases are developed which must monitor movements of animals between our nations**
- **Increase border controls which minimise the likelihood of exotic diseases, such as Foot and Mouth disease, being introduced to the UK from food and other imports**

Bovine TB

Whilst matters relating to animal health, including bovine TB, are rightly devolved to the Welsh Assembly, national levels of TB are of concern to the UK as a whole, not least in relation to trade negotiations given that in many regions, and across England and Wales as a whole, they far exceed the level at which regions can legally be declared 'TB free' - something that could have a catastrophic impact on negotiating trade access to the EU and other countries.

In the twelve months to the end of August 2019, 12,799 Welsh cattle were slaughtered due to TB - more than has ever been recorded in any calendar year, adding significantly to the severe mental anguish suffered by those families affected by the disease.

This represents a 28% increase in animals slaughtered compared with the previous twelve month period, while the number slaughtered almost trebled in the mid-Wales 'intermediate region' during the same period - despite the Welsh cattle controls having been the strictest in the World for more than a decade.

During the same twelve month period, the number of cattle culled due to TB in all other parts of Great Britain fell.

Whilst Scotland has low cattle TB incidences and no major wildlife reservoir, both England and Wales are known to have high levels of TB in cattle and badgers, and the latest figures show badgers found dead in Wales to be fifteen times more likely to carry TB than cattle - while the rates in East Wales are forty-two times higher in badgers than in cattle.

Similar evidence in England, coupled with trials showing badger culling can reduce TB incidences significantly, led to the introduction of 'farmer led culls' in England, the initial results of which were released in early October.

These showed badger culling to have reduced TB in areas of Gloucestershire and Somerset by 66% and 37% per cent respectively after four years, while in an area of Dorset there was no change in incidence rates in cull areas after two years, but incidences fell by 55% in the same period in the 2km area around the edge of the cull area.

By comparison, in 2012 the Welsh Government replaced plans to cull badgers in north Pembrokeshire with a five year badger vaccination programme, which, as predicted by the Welsh Government's own evidence prior to the decision to

abandon the planned cull, has led to no statistically significant fall in cattle herd incidences.

In light of the recently released English results, and the results of previous trials, the FUW maintains that the Welsh Government should return to the original plan for a Welsh Government-led badger cull in Wales.

However, given that English farmers can and have applied for licences under the Badger Act to cull badgers knowing that these will be granted by the English authorities where the evidence justifies such action, but that Welsh farmers have no such assurance from the Welsh Government - and are in fact highly unlikely to be successful - it is believed that the Badger Act must be revised in order to make applications for such licences less open to political and spurious obstruction.

The FUW would look to the next UK Government to:

- **View current levels of TB as a serious economic risk to successful trade negotiations and undertake a formal risk assessment of the implications of current levels of Bovine TB across the whole of the United Kingdom, irrespective of devolved animal health responsibilities**
- **Work with the devolved administrations to develop a new UK eradication programme that provides assurances to other countries that TB vectors in both cattle and wildlife are being tackled such that the UK will be TB free within an acceptable time period**
- **Revoke the Badger Act and introduce new legislation which affords badgers proportionate protection, while also ensuring badgers can be controlled in either England or Wales in order to prevent disease in cattle**
- **Continue to roll out the English badger cull in order to enhance the positive impacts measured to date in England**
- **Regularly publish detailed statistics relating to TB incidences in badger culling areas**
- **Implement annual testing across England in order to improve disease monitoring and reduce the risk of infected animals coming in to Wales**
- **Work with the Welsh Government to introduce uniform and proportionate pre-movement testing measures requiring compulsory pre-movement testing for all cattle in England and Wales, with an exemption from this requirement for 60 days after a clear test for movements from high risk parishes or regions, and 180 days after a clear test for movements from low risk parishes or regions**

Science and technology

Research and Development has always been a vital component of a thriving agricultural sector. In future, the need for technological advancement to improve production, and feed an expanding population whilst reducing inputs and mitigating climate change underlines the need for significant public investment into agricultural research.

For many years research has been focussed on lowland agriculture, with genuine agricultural research in upland areas, such as those which dominate Wales, remaining largely ignored.

Commercially driven developments in areas such as precision agriculture have, for understandable reasons, focussed on more intensive forms of agriculture, yet the economic and environmental benefits of adapting such technology for use on more marginal farmland are clear.

Both lowland and upland areas have a key role to play in producing food, as they have done for thousands of years, and policies which have reduced the agricultural viability of upland areas have been shown to have had a negligible and often detrimental impact on ecosystems.

Whilst the private sector has played an increasingly important role in meeting the investment gap caused by cuts to public funding, research priorities and technological developments have naturally become profit driven in a manner which may not necessarily be in the overall public interest.

In light of these concerns, the FUW believes that the next UK Government should:

- **Boost research into all areas of agriculture in a manner that properly reflects the importance of agriculture in terms of food security, the environment and climate change**
- **Increase funding for agricultural research into upland farming, with a particular emphasis on upland crops, restoring pasture productivity, and transferring technology developed for lowland arable systems**

Public procurement

Research by the New Economics Foundation has shown that for every £1 spent on seasonal, local ingredients, a further £1.19 of economic activity can be generated. Each year, £2.4bn is spent by Government bodies on food, and while procurement of UK agricultural produce by some Authorities has improved significantly over recent years, there remain significant numbers which fail to support British agriculture, choosing instead to accept produce from countries which often fail to meet the UK's high production standards.

The 2014 launch by the Department for Environment, Food and Rural Affairs' of Sir Peter Bonfield's Plan for Local Procurement marked an important move towards distinguishing between 'cheapest' and 'best value', and recognition that responsible procurement can bring a range of benefits to wider society.

The decision to leave the EU presents an opportunity to revisit procurement laws and policies in a way which ensures public bodies lead by example in terms of supporting local, Welsh and UK food and farming businesses.

The FUW believes that the next UK Government should:

- **Further emphasise the benefits of local procurement and work to ensure that the principles laid down in the Plan for Local Procurement are adhered to in a way which results in investment in and benefits to UK businesses**
- **Review procurement rules in light of Brexit, with a view to introducing policies which make support for local and British businesses by public bodies a priority**
- **Proactively encourage and facilitate public and private sector procurement of UK produce in a manner that supports small, medium and large processors and cooperatives**
- **Instigate procurement policies which encourage the creation of new companies and cooperatives which allow smaller businesses to tender for procurement, in order to bring benefits in terms of local employment and redressing imbalances that currently exist throughout the supply chain**
- **Do so in a way which raises awareness of and confidence in UK produce, both amongst UK citizens and visitors to the UK**

Supply chains

Successive changes to policies which govern competition within supply chains have allowed large companies to dominate supply chains in a way that can be grossly detrimental to others, particularly primary producers.

The cross-party support for the introduction of the Groceries Code Adjudicator Act 2013 was therefore welcomed and the FUW supported the appointment of a Groceries Code Adjudicator to police supply chain practises. However, the FUW believes that there is continued justification for expanding the powers conferred to the Adjudicator and also significant grounds for changes to competition rules, both within the UK and across the European Union.

At a European level, moves to address imbalances along the supply chain have been more proactive, and discussions have focussed on promoting a better functioning, more equitable and transparent supply chains, with the central objective of ensuring that consumers pay appropriate prices for food, while farmers, food producers and distributors, get fair payments for their produce.

Over recent years the EU has sought to ban unfair trading practices and improve producer cooperation, and in September EU Member States agreed to enforce the collection of prices of agri-food products at different stages along the supply chain in order to gain a better understanding of how prices are determined - a move which will significantly increase transparency and trust, allow more informed choices to be made by businesses and help farmers make better decisions in terms of managing their businesses and risks.

The FUW believes that the next UK Government should:

- **Extend the powers of the Groceries Adjudicator to allow decisive actions to be taken which address unfair practices throughout the entire supply chain**
- **Expand the powers of the Groceries Adjudicator to cover significant retailers that would otherwise be excluded from this remit on the grounds that their turnover is less than 1 billion pounds.**
- **Review current UK competition rules, with a view to redressing the imbalance of power that exist along the domestic supply chain in a manner that benefits primary producers.**
- **Introduce changes akin to those instigated in the EU which promote a better functioning, more equitable and transparent supply chain**

Boosting the tenanted sector

Changes in government policies introduced over the past century have allowed tens of thousands of tenant farming families to own their own land, to the extent that around two thirds of Welsh farmland is now owned by the farmers who farm it - a change in the balance between tenant and owner-occupier farmers which can be described as a social revolution.

In the absence of Agricultural Property Relief and other tax breaks which ensure succession and reflect the disparity between agricultural incomes and land prices, this positive societal change would be reversed, setting the country back by a century or more, with catastrophic impacts for families and rural communities.

Notwithstanding this, given that around 48% of Welsh farms are reliant to some extent on rented land, our tenant farmers continue to play an essential role in terms of the fabric of rural communities and economies, while the tenanted are an essential stepping-stone for young and new entrants to the industry.

The FUW has long argued that changes to the current tax system which free up land for existing and prospective tenant farmers would lead to greater productivity and economic benefits, but that this should be done without compromising the benefits which are critical to succession.

In 2015, similar concerns in the Republic of Ireland led the Irish Government to introduce extended Income Tax relief on arm's length lettings of farmland for five years or more - a change which, within just three years, more than trebled the percentage of the Irish Republic's farmed area let on arm's length terms for 5 years and more between and 2017, with around half a million acres newly let on such terms in the three years of 2015 to 2017 since the enhanced reliefs were made available.

In light of such results, a recent report by the Central Association of Agricultural Valuers (*Taxation, Agricultural Productivity and Land Occupation, September 2019*) concluded that if similar initiatives introduced in the UK resulted in the letting of another 4% of farmland in Great Britain and 15% in Northern Ireland to lettings for 5 years or more, the productivity gain might be more than £100 million.

In light of such results and predictions, the FUW calls on the incoming UK Government to:

- **Review the Irish work on taxation and tenancy with a view to introducing changes which increase productivity and access to land for young and new entrants**
- **Ensure that no changes are introduced which reverse positive trends in land ownership by working families by undermining succession and the long term viability of family farms**

