

---

Senedd Cymru	Welsh Parliament
Y Pwyllgor Newid Hinsawdd, Amgylchedd a Materion Gwledig	Climate Change, Environment and Rural Affairs Committee
UK Emissions Trading Scheme: Common Framework	Cynllun Masnachu Allyriadau y DU: Fframwaith Cyffredin
CCERA(5) ETS 03	CCERA(5) ETS 03
Ymateb gan Undeb Cenedlaethol yr Amaethwyr	Evidence from National Farmers' Union

---

## Committee (CCERA) Call for Views into the UK Emissions Trading Scheme

1. NFU Cymru welcomes the opportunity to respond to the Climate Change, Environment & Rural Affairs Committee Call for Views into the UK Emissions Trading Scheme.
2. We note the CCERA Committee will shortly be undertaking a short piece of work scrutinising the proposed framework on the UK Emissions Trading Scheme which will replace the EU Emissions Trading System (EU ETS) which covers around 33% of UK emissions currently.
3. The scope of this UK ETS includes energy intensive industries, the electricity generation sector and aviation. This means that a UK ETS applies to greenhouse gas emitting processes in sectors like refining, heavy industry and manufacturing.
4. Agriculture as a non-energy intensive industry falls outside the scope of the UK ETS. NFU Cymru would take this opportunity to highlight our [‘Net Zero’ Agriculture](#) ambition.
5. The report highlights that agriculture is uniquely placed to be part of the solution to decarbonising the Welsh economy and achieving net zero as both an emissions source and sink.
6. There is no single answer and the achievement of net zero agriculture will need a range of measures under three broad headings of:
  - a. Improving farming’s productive efficiency to reduce our greenhouse gas emissions – enabling farming to produce the same quantity of food, or more, with less inputs in smarter ways;
  - b. Farmland carbon storage in soils and vegetation – improving land management and enhancing land use to capture more carbon, through more hedgerows, more farm woodland, and especially more carbon-rich soil;
  - c. Boosting renewable energy and the bioeconomy to displace greenhouse gas emissions from fossil fuels and to create GHG removal through photosynthesis and carbon capture.
7. The policy measures needed to enable Welsh farming to make its contribution to meeting our net zero aspiration will require a partnership approach and concerted support across governments, agencies, academia and stakeholders to act with us to deliver on this ambition. Delivery of ‘Net Zero Agriculture’ will also require adequate revenue.
8. It would appear logical for revenues accrued through the UK ETS to be diverted away from general treasury funds and ring-fenced to fund in-country climate and energy projects and domestic decarbonisation action.