

Senedd Cymru
Pwyllgor yr Economi, Masnach a
Materion Gwledig
Rheoliadau Llygredd Amaethyddol

Welsh Parliament
Economy, Trade, and Rural
Affairs Committee
Agricultural Pollution
Regulations

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Ymateb gan: Cymdeithas Tir a
Busnesau Cefn Gwlad Cymru

Evidence from: Country Land and
Business Association in Wales

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CLA Cymru: The Voice of the Rural Economy in Wales

One-third of the Welsh population live in rural areas and our rural economy supports 459,000 people. The Country Land and Business Association in Wales (CLA Cymru) represents many farms, but also farm businesses which have developed additional business activities. Such activities may be referred to as diversification, but they remain mutually dependent with the foundation farm business. It means that we represent a very broad range of economic players in the rural economy. In addition to our expertise in agricultural issues, we also have knowledge and experience relating to the breadth of issues affecting rural businesses, including concerns with planning, investment and economic development, skills provision, connectivity, physical infrastructure and housing. In Wales, CLA Cymru's membership reaches nearly 3,000 rural businesses.

Summary

Farmers and land managers must take responsibility for their impact on water quality but need support from Welsh Government and the private sector. This should be through a combination of clear and well-communicated regulation, worthwhile incentives and options for innovation. The Sustainable Farming Scheme (SFS) in Wales provides an opportunity to help solve water quality issues in a more appropriate way than the blanket regulations. We want Welsh Government to:

- Offer continued training, advice and grant support through an expanded Farming Connect initiative and Wales Rural Development Programme;
- Provide long-term Government-matched grant funding for on-farm infrastructure and technology to reduce fertiliser and slurry run-off encompassing storage and precision spreading equipment to match their own impact assessments;
- Ensure the SFS funds land management practices and nature-based solutions that support water quality improvements,

particularly those with co-benefits for climate change mitigation and adaptation and biodiversity, such as riparian planting and soil management;

- Make sure future Welsh Government schemes aiming to improve water quality are designed to work in conjunction with private sector funding streams, for example, payments for ecosystem services or environmental markets, or water company initiatives;
- Work with the agricultural industry to agree targets that are evidence based and take into account different farm systems, regional, hydrological conditions to ensure they are achievable, - something the Wales-wide approach does not do;
- Ensure NRW increases levels of monitoring and testing of both point source and diffuse pollution to reduce reliance on modelling and help make evidence-based decisions, particularly where the impacts on rural businesses could be significant.

The CLA wants to see improvements in water quality across Wales and argues that the vast majority of rural businesses are doing all they can to reduce agricultural pollution. In producing this evidence, we have spoken with a range of members operating a variety of agricultural businesses including larger arable holdings, dairy farms and upland beef and sheep producers. While we support Welsh Government's aim of reducing agricultural pollution, we argue some aspects of the regulations will compromise the viability of many businesses and we want to see some modifications to minimise the negative affect on the agricultural sector. Our key concern with all the regulations in their current form include:

1. The ability of Welsh Government and NRW to police the new regulations;
2. The potential for "offshoring" of agricultural production to other parts of the UK and the world where standards are lower- this is extremely important and risks adding to the burden of climate change through increasing food miles
3. The high cost of implementing changes to infrastructure risking the viability of many farm businesses;
4. The lack of funding from Welsh Government for infrastructure improvements. Welsh Government's own impact assessments put the upfront capital cost of implementing the changes at approximately £26-32 million in addition to running costs of approximately £15 million per year. The funding provided by Welsh Government through Sustainable Production and Farm Business Grants stands at a fraction of this cost.

Positive Aspects of the current all Wales Approach

We support a renewed focus upon the minimising agricultural pollution within Wales notwithstanding the majority of farmers are already doing so. The greater focus on water quality should not only be upon agriculture but also water companies.

Focus on risk mapping

The majority of farmers already carry out risk mapping before spreading any fertiliser. Although we do not think it is ideal, we argue this regulation is acceptable provided there is continued help and guidance delivered by Welsh Government and Farming Connect.

Nutrient Management Plan (NMP)

Most farmers already use an NMP to determine the areas and application of slurry spreading however similarly to risk mapping this aspect of the regulations is not of high concern. Where there are farmers who do not understand how to produce a NMP we want to see a measured approach to its implementation alongside support and guidance from Welsh Government and Farming Connect. We also working to ensure all our members are aware of how to produce an NMP.

Negative Aspects of the current all Wales approach

Closed periods

The closed periods for spreading slurry are not supported. We argue the restrictions will result in farmers being forced to empty their storage before and after the set dates in the regulations. Climatic conditions vary greatly across Wales and we want to see a more pragmatic approach reflective of the local conditions on the ground. By introducing set dates for spreading farmers will be forced to spread during conditions that are not ideal causing damage to soil structure.

Costs of infrastructure improvements

The impacts of complying lie largely within the capital works required to upgrade storage facilities to meet what will be excessive levels of storage in addition to trying to secure planning permission to cover yard areas. The upgrades of facilities will not only require businesses to invest time in planning, it also will be costly (with banks not willingly lending money to smaller businesses). Those farms with only one farm worker will also struggle to find the time to carry out the work outside of day-to-day farm work.

Insufficient capital support

As discussed in the summary the level of capital funding made available through previous and current Sustainable Production and Farm Business Grants is insufficient to meet Welsh Government's own assessments of the cost of complying with the regulations. Welsh Government placed the cost to the industry of complying with the regulations at approximately £26-32 million in addition to running costs of approximately £15 million per year. The grants offered by Welsh Government so far are only a fraction of this amount. We argue that Brexit and the impact of the Covid-19 alongside these costs will significantly affect the viability of many farms across Wales.

Comments on the process for developing the current approach

We do have some concerns in the way the current approach has been developed and announced. There has been significant work by a range of land use organisations through the Wales Land Management Forum sub group on agricultural pollution. This group produced a report outlining alternative approaches to the current Wales-wide regulations yet there has been minimal response from Welsh Government on the merits of the report. As an organisation and an industry, we do not wish to dwell on the past and want to see all parties working together to reduce agricultural pollution while maintaining farm viability and not exporting our food production and environmental impacts to other parts of the world with lower standards. It would be a very sad outcome for the Welsh farming sector if due to over-regulation large numbers of smaller farms were sold and the communities and families they support move away from the local areas. This will significantly impact on the Welsh language and an important aspect of Welsh culture and heritage would be lost forever.

Alternatives to the current approach and improvements to existing approach

Any alternatives to the current approach need wide buy in from all stakeholders across industry in addition to those actually running farms on the ground. We have argued that a more targeted approach focussing upon catchments with the most significant water quality issues would be more appropriate. There are many river systems across Wales that do not have major water quality issues and we do not think the blanket approach will get those most important to solving water quality issues on board.

Written into the legislation for the Wales-wide agricultural regulation is a requirement for Welsh Government to consider alternative approaches to the current ones if they can be shown to reduce agricultural pollution. This has to be done before September

2022 and the CLA, NRW and other key organisations are part of a WLMF task and finish group looking at alternatives. Potential alternatives could include:

- Greater use of technology via mobile phones and Apps in demonstrating conditions are suitable for spreading;
- Greater flexibility within regulations in terms of infrastructure record keeping for those businesses with track records of high standards;
- Exemptions for specific sectors or locations from certain aspects of the regulations where they can demonstrate high levels of historic compliance;
- Significant increases to capital grants to support farmers in making the infrastructure changes required to comply. Creative financial options involving the private sector should also be explored for example with dairy companies and other supply chain bodies;
- Increased levels of guidance and advice from Welsh Government and Farming Connect to improve the skills and knowledge of farmers across Wales in terms of understanding and addressing water quality issues.

We look forward to continuing to work with the Committee going forward and would welcome the opportunity to provide oral evidence in the future.