



Response to Agriculture (Wales) Bill for Economy, Trade and Rural Affairs Committee November 11, 2022

Introduction

1. Wildlife Trusts Wales (WTW) represents the five Wildlife Trusts in Wales – Gwent, Montgomeryshire, North Wales, Radnorshire and South and West Wales working together to achieve common aims. The Wildlife Trusts collectively speak on behalf of more than 25,000 members and manage over 200 nature reserves, covering more than 8,000 hectares of prime wildlife habitat, from ancient woodlands, grasslands, and wetlands to urban wildlife havens.

2. The Wildlife Trusts in Wales protect, champion and act for wildlife and wild places on land and at sea. Nature is fundamental to everyday life; it provides the air we breathe, the food we eat, the fuel we use for warmth, and the resources we consume for shelter and modern life. Nature and people are not separate, nor is nature separate from our economy. Without a healthy environment, society cannot be resilient, but in order for nature to look after us, we need to look after it.

3. We know that Wales is one of the most nature-depleted countries in the world¹, with most of the habitats in low condition². The 2019 State of Nature report found that 1 in 6 species assessed in Wales were at risk of extinction, amounting to 666 species with severely depleted populations of birds and insects³. The Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IP-BES)⁴ came to a similar conclusion of the need for **urgent action in the face of mass species extinction**. It stated that **one million species might be pushed to extinction in the next few years, with severe consequences for human beings as well as the rest of life on earth**. Professor Bob Watson, Chair of the IPBES, stated: *“We are eroding the very foundations of our economies, livelihoods, food security, health, and quality of life worldwide.”*

4. Agricultural land management has been identified as the most significant factor driving species’ population declines⁵. With 88% of the Welsh land area utilised for agriculture, nature across the uplands and lowlands has been, and remains, vulnerable to change in farming practices such as grassland and moorland management, livestock type, and stocking densities, and a reduction in mixed and arable farming.

5. The changes in farmland management over the past 50 years that have had the most significant impact on the UK’s nature include:

- increased use of pesticides and fertilisers
- increased stocking rates

¹ <https://www.rspb.org.uk/about-the-rspb/about-us/media-centre/press-releases/new-report-shows-wales-close-to-bottom-of-international-league-table-for-nature/>

² <https://naturalresources.wales/evidence-and-data/research-and-reports/state-of-natural-resources-report-sonarr-for-wales-2020/sonarr2020-our-assessment/ecosystems-are-resilient-to-expected-and-unforeseen-change/?lang=en>

³ <https://nbn.org.uk/wp-content/uploads/2019/09/State-of-Nature-2019-UK-full-report.pdf>

⁴ <https://ipbes.net/ipbes-global-assessment-report-biodiversity-ecosystem-services>

⁵ Burns F, et al. (2016). Agricultural management and climatic change are the major drivers of biodiversity change in the UK. PLoS one, 11: e0151595

- changes in crops and cropping patterns (e.g., grasslands managed for silage rather than hay production, with reseeded and drainage, crops sown in the autumn rather than the spring)
- farm specialisation (e.g., in either arable or livestock enterprises).
- greater mechanisation
- increase in farm size
- loss of nature-friendly features such as field margins, hedgerows, wooded areas, and farm ponds.

6. Now, more than ever, all our efforts must be directed towards sustained and systematic actions to shift the current trajectory of the interrelated crisis of biodiversity loss and climate change. This aligns with the intention and spirit of the Environment and Wellbeing Acts to drive radical change. Together they provide the legal governance frameworks for this shift in thinking.

7. The Biodiversity Intactness Indicator⁶ is an internationally approved scientific measurement of the long-term impact of human activity on plants and animals. Experts compiling these indicators in Wales have been able to judge the extent of nature loss, of 51%, which means Wales has lost over half of its plants and animals and scores 16th worst of 240 countries assessed.

8. Previous farm policies to protect and restore the natural world have clearly not worked, and we have now arrived at a critical time both for nature and the climate. The scale of the challenge to restore nature, and reverse its ongoing decline in Wales, needs immediate action at scale.

9. Wales must confront the headwinds associated with climate change, resource depletion, biodiversity loss, and public health issues. Due to the scale of the degradation of biodiversity and ecosystem services, it makes sense that we must develop not just sustainable but ecologically restorative policies.

10. The EU's record on environmental issues is arguably one of its most outstanding achievements. It has developed world-leading legislation on a range of issues, which have helped tackle water and air pollution, protect endangered species, protect our pollinators through bans on dangerous pesticides, and helped clean up our beaches.

11. However, while the Common Agricultural Policy (CAP) has enhanced on-farm biodiversity through agri-environment measures, it has also created significant perverse outcomes. For biodiversity, for example, the payment of subsidies linked to the grazeable land area has led to the loss of woodland, scrub and trees and associated wildlife. The need now to replace the CAP in Wales is a once in a lifetime to rectify the mistakes of past subsidies.

12. Professor Dieter Helm, Chair of the Natural Capital Committee, highlighted some of the significant issues with short-term focussed unsustainable land management practices⁷: Fertilisers, pesticides, and herbicides flow into and pollute our reservoirs and water courses, requiring water companies to clean up and charge their customers accordingly

- Poorly stored and inappropriately handled slurry resulting in effluent leaching into the water systems
- Agricultural intensification methods (e.g. draining peat soils, ploughing steep slopes) increase flooding risks downstream, emit greenhouse gases and diminish our soil resources
- The inappropriate use of antibiotics puts the health of the wider society at risk.

⁶ https://www.nhm.ac.uk/our-science/data/biodiversity-indicators/biodiversity-intactness-index-data?future-scenario=ssp2_rcp4p5_message_globiom&georegion=001&min-year=1970&max-year=2050&georegion-compare=null&future-scenario-compare=null&show-uncertainty=true&min-biigraph-y-axis=0&max-biigraph-y-axis=100&min-factorgraph-y-axis=0&max-factorgraph-y-axis=100&underlying-factor=crp

⁷ <https://www.gov.uk/government/groups/natural-capital-committee>

- Significant adverse impacts on biodiversity

13. Farmers involved in organisations such as Nature Friendly Farming Network need to be celebrated, and we must learn from not just their actions but understand their motivations. We need sustainable farms and farmers to tackle both the nature and climate crisis, but they must be enabled to play their role in the provision of public goods. Farming, of course, is not the only reason why nature is declining; other contributors include infrastructure, climate change and invasive species. However, as the farmed environment covers over 88% of Wales, unsustainable practices significantly impact the ecology of Wales. As well as products such as food and timber, we need the natural environment, rich in wildlife, to provide services like clean water, healthy soils, flood alleviation, carbon sequestration, and the benefits to our well-being that contact with nature brings. The recognition of the importance of these services and, therefore, taxpayers' money to enable their provision is and will increasingly play a key role in supporting a prosperous rural economy. These added benefits are not presently rewarded, whilst the often 'hidden' impacts of unsustainable farming are not currently accounted for in economic considerations. Consumers often pay the price for unsustainable practices for example, through increased water costs. But there is little knowledge of potential other costs to society through potential health risks through the use of pesticides and associated flooding and drought caused by land management practices. Of course, there are consequences for the future of farming itself through the loss of soil fertility and pollinators and increased need for and costs of inputs.

14. The introduction of the Agriculture Bill in Wales creates an important opportunity to reward farmers for providing these public goods that society increasingly needs due to climate change's impacts. It also allows Wales to determine how Welsh taxpayers' money is spent.

15. The public goods scheme and the recovery of nature enjoy significant public support:

- A WWF poll found that 91% of those asked wanted the UK Government to pay UK farmers to protect nature⁸ The poll also showed that people saw an urgent need for steps to protect our natural world, with 85% saying there is less wildlife in the country than when they were children⁹.
- There is public support for putting nature at the heart of Coronavirus recovery plans¹⁰.
- 76% of people support that nature's restoration should contribute to economic recovery in the UK

16. Wildlife Trusts Wales and the NGO network in Wales are clear that the Agricultural Bill must enable the production of sustainable food and farming that:

- restores and maintains farmland wildlife and the environment: this includes positive impacts on wildlife and the environment beyond the farm gate from good environmental management on farms;
- significantly reduces harmful emissions that are contributing to climate change and also to reduce emissions of other pollutants that are impacting our air, soils, and water quality;
- ends use of imported animal feeds and other products linked to destroying the natural world overseas;
- develops opportunities to diversify food production and other farm products, such as timber, vegetables, or carbon sequestration for local markets;
- supports opportunities for community ownership, new entrants, better public access, and engagement in land use decisions; and

⁸ <https://www.rspb.org.uk/about-the-rspb/about-us/media-centre/press-releases/nature-and-a-green-recovery-from-covid-19/>

⁹ <https://www.wwf.org.uk/updates/9-out-10-people-want-farmers-paid-protect-nature>

¹⁰ <https://www.rspb.org.uk/about-the-rspb/about-us/media-centre/press-releases/nature-and-a-green-recovery-from-covid-19/>

- sets an effective regulatory baseline, backed by fair and clear civil and legal sanctions, that all farmers, land managers and landowners must comply with.

1. Sustainable Land Management

17. Sustainable Land Management (SLM) is an internationally recognised concept, defined by the United Nations (UN) as: “The use of land resources, including soils, water, animals, and plants, for the production of goods to meet changing human needs, while simultaneously ensuring the long-term potential of these resources and the maintenance of their environmental benefits¹¹.”

18. WTW strongly recommends that a clear definition of Sustainable Land Management be included in the Bill and that the definition of SLM by the UN quoted above is used. This will ensure that there is absolute clarity about the definition, and it is not open to interpretation in the future. There is a view by some that the World Bank definition of SLM be utilised, but it is outdated and deficient compared to that of the UN.

19. The Environment (Wales) Act 2016 sets out the Sustainable Management of Natural Resources (SMNR) in Part 1 of that Act which is defined as “an approach to managing Wales’ natural resources and ecosystems to ensure that the benefits they provide for our social, economic, environmental and cultural well-being are available now and for future generations.”¹² There is already a recognition of and definition of Sustainable Management of Natural Resources enshrined in Welsh law. Adding the UN definition of Sustainable Land Management (SLM) will provide further clarity on what exactly SLM means.

20. WTW supports the four objectives in the Bill concerning sustainable food production, mitigating and adapting to climate change, maintaining and enhancing the resilience of ecosystems and the benefits they provide, conserving and enhancing the countryside cultural resources, and promoting public access and sustaining the Welsh language.

21. Greater clarity is needed, however, on the first objective, which concerns food production. This stated objective is “to produce food and other goods in a sustainable manner.” WTW strongly interprets “to produce food in a sustainable manner” to mean that farmers will be paid for ‘how’ they produce food, as opposed to being paid simply for food production regardless of how its produced. In other words, farmers should be paid for how food is produced – for their practices. So, to merit future environmental payments, farmers will need to change and develop agricultural practices. This should include a shift towards agroecological systems, and high nature-value farming practises such as reducing energy and fuel, managing, and enhancing carbon and wildlife-rich habitats, and habitat creation and carbon storage. It is about rewarding farmers for environmental outcomes such as healthy soil and boosting pollinators which are essential for promoting healthy ecosystems, enabling us to produce food in the future. Sustainable production is essential to build up our soil fertility and improve our agriculture’s inherent productivity. Principle 4 in the Brexit and our Land consultation document by the Welsh Government states: “Future support will encompass the provision of additional public goods from land. The richness and diversity of the Welsh landscape mean there is no paucity of public goods to procure – from clean air to flood management, to better habitats, public health and education. There is no reason why the same farm and same farmer cannot produce both food and public goods...”¹³.

¹¹ <https://www.fao.org/land-water/land/sustainable-land-management/en/>

¹² <https://gov.wales/sites/default/files/publications/2019-06/sustainable-management-of-natural-resources-guide.pdf>

¹³ https://gov.wales/sites/default/files/consultations/2018-07/brexit-and-our-land-consultation-document_0.pdf

22. WTW supports the Welsh Government's position that food is not a public good. We agree with the Welsh Government's definition that a *public good is a product that one individual can consume without reducing its availability to another individual and from which no one is excluded. Economists refer to public goods as "nonrivalrous" and "nonexcludable"*.

1. *Non-rivalry: This means that when a good is consumed, it doesn't reduce the amount available for others e.g. benefiting from a street light doesn't reduce the light available for others but eating an apple would.*

2. *Non-excludability: This occurs when it is not possible to provide a good without others being able to enjoy it. For example, if you erect a dam to stop flooding – you protect everyone in the area, whether they contributed to flooding defences or not. National defence, sewerage systems, public parks, a scenic view and other basic societal goods can all be considered public goods.*

Thus, a public good may be consumed without reducing the amount available for others and cannot be withheld from those who do not pay for it. No market exists for such goods, and they are generally provided to everyone by the actions of others. Public goods tend therefore, to be delivered as an accidental by-product of economic activity or through purposeful Government activity because they are difficult to monetise.

23. WTW also agrees with the Welsh Government that the provision of food security is not a public good set out below. We also want to highlight that although food costs are increasing in Wales and, unfortunately, the cost-of-living crisis is compromising people's ability to buy food resulting in extremely concerning food poverty, there aren't food shortages. We are experiencing supply chain issues resulting in some product line disruptions caused by multiple factors, but again, there isn't a shortage of food. Of course, there are always concerns about future food security, but Wales presently is very limited in the food it can produce mostly due to soil quality and climate.

24. If food security is defined as 'complete self-sufficiency in food production it is clearly not a public good. The production of food is an output driven by economics, i.e. farmers produce food to make money. Increased demand for food will either result in increased production (either from home-based industry or through importation) and/or increased cost to the consumer. Food security is rivalrous and excludable in this context as the consumption of food renders it unavailable to others and it is excludable – you can have food, but only if you are willing to pay for it,

25. If food security is defined as 'making sure all agricultural land is farmed', then once again, this is a market-related activity. If demand exists for agricultural products, then the land will be farmed, products will be sold, and money will change hands.

26. Taxpayers should not be paying for food through subsidies provided by the Welsh Government to the farming industry. There is also the potential extra cost of unsustainable farming through higher water rates due to the need to clean water contaminated by agricultural pollution. WTW is concerned that farmers are paid a fair price, but Welsh consumers should not subsidise this price. Any direct payment for food would see Welsh taxpayers subsidising food for consumption outside of Wales.

27. Some argue that we need to prioritise food production over restoring nature and tackling climate change. WTW believes this is a false trade-off – a thriving natural environment, healthy soil, and a stable climate are vital for sustainable and profitable food production. Likewise, some argue that for farms to be environmentally sustainable, they must maintain economic stability. But the economy is a subsidiary of the environment. A healthy environment is vital to enable the production of food in

the future. Sustainable production is an essential way to build up soil fertility and improve agriculture's inherent productivity.

28.WTW is concerned about how the objectives and the outcomes work together. This is critical in guiding the development of supported actions in the Sustainable Farming Scheme. It is vital that all the Bill's objectives and outcomes are achieved and that it is not possible to select which objectives or outcomes are delivered. A situation where one objective is traded off against another must not be allowed to happen.

29.The inclusion of indicators and targets for the objectives of the Bill to measure progress is welcomed. The Bill should allow for multiple indicators and targets if needed. It would be helpful if further information on the types of targets were included in the Bill. Some examples would be greenhouse gas emissions, carbon sequestration, targets for species and other nature targets, which the Welsh Government is committed to establishing and global responsibility targets. The question then arises about who will monitor the targets to ensure they are met. The Future Generations Commissioner is one body that must be consulted. No mention is made of Natural Resources Wales in this regard. The Bill should ensure that Natural Resources Wales has an important role to play in ensuring compliance with any targets set, but they will need sufficient resources to accomplish this task.

30.WTW welcomes the inclusion of Sustainable Land Management reports in the Bill, which will assess progress towards achieving the sustainable land management objectives. If targets have not been met, explain why and how these targets can be achieved. It will be of the utmost importance that sufficient resources are made available by the Welsh Government to ensure these reports are as accurate and timely as possible. There must be a commitment to review incentives and the SFS if the objectives are not met.

2. Support for Agriculture

31.WTW supports the purposes of providing support for agriculture for "encouraging the production of food in an environmentally sustainable manner" along with a full list of other purposes such as reducing greenhouse gas emissions, maximising carbon sequestration and storage, improving air and water quality and maintaining and enhancing the resilience of ecosystems.

32.It is of the utmost importance that support for agriculture is tied to the principle of Sustainable Land Management as laid out in the Bill. Any proposed future changes to this list that do not meet the principle of SLM should not receive support. The Agriculture Bill will be fundamentally undermined if any purpose that is not in line with SLM is supported.

33.No mention is made in the Bill of the phase-out of the current existing support for agriculture, the Basic Payment Scheme, by 2029. It should be made clear in the Bill that the timeline for the complete phase-out of support for agriculture based on payments developed whilst the UK was within the EU is 2029 and that there will be no extension of this payment type beyond this date.

3. Forestry

34.WTW strongly supports the new powers proposed in the Bill that expand the conditions that can be attached to tree-felling licences. The new power for Natural Resources Wales to amend, revoke or suspend a licence where tree felling in accordance with that licence can or could cause environmental damage is welcomed and much needed, particularly for threatened species such as Red Squirrels.

35. In addition, the power to add conditions to felling licences could be helpful for ancient woodland conservation, especially in relation to limiting the scale of felling, preventing damage to ancient woodland features such as veteran trees, and facilitating the removal of invasive non-native tree species.

36. The Bill does not currently include measures to protect ancient and veteran trees and small areas of ancient woodland. Ancient trees are ones that have passed beyond maturity and are old in comparison with other trees of the same species. Even when old these trees may stay alive and remain healthy for decades and even centuries. The older the tree, the more valuable it becomes by providing rich and varied habitats for wildlife. Veteran trees are trees with key habitat features such as wounds or decay. A veteran tree is one that has developed some of the features found on an ancient tree. Both ancient and veteran trees play a critical role in maintaining biodiversity in the landscape¹⁴. Due to lack of legal protection however, they can be felled without a felling licence, and it is recommended that provisions are made within the Bill to give these trees the protection they need.

4. Wildlife

37. WTW welcomes the complete ban on the use of snares and glue traps. This will make Wales the first country to introduce such a ban and is well overdue. These devices are indiscriminate killers of wildlife and cause a great deal of suffering. They are not compatible with the aim of restoring nature across Wales. However, there is no mention of a ban on the sale of snares or glue traps in the Bill, and this needs to be addressed. Although we understand that trade is not devolved Welsh Government could work with the UK Government and other devolved administrations to enable a UK-wide ban of snares.

5. General

National Minimum Standards

38. WTW are extremely concerned that National Minimum Standards (NMS) are not included in the Agriculture Bill and urges the Welsh Government to ensure that legislation is brought forward as quickly as possible to address this. The rapid adoption of NMS and civil sanctions are needed before the Sustainable Farming Scheme is adopted in 2025 to stop any further deterioration of the environment and the ongoing decline of nature across Wales.

39. WTW believes that having all regulatory standards in one place, under the banner of National Minimum Standards, will support farmers and land managers by simplifying the regulatory landscape. This will enhance ecological networks and help achieve significant ecosystem improvements, which will support climate change mitigation. NMS will help address the severity of the decline in nature across Wales by enabling more efficient use of nutrients across Wales and by enabling farming to adopt significantly improved production standards.

40. However, they must be adopted with clearer Civil Sanctions¹⁵. These, along with NMS, were promised as part of the Agriculture (Wales) Bill. Clear-tiered civil sanctions starting with awareness and training, followed by site visits that only require increasing financial penalties for continued or flagrant breaches resulting in the ultimate sanction of a custodial sentence, are needed to enforce NMS.

41. There are several key reasons why NMS must be integral to the Agricultural Bill. They communicate to all farmers that agricultural pollution is a serious problem and avoids the potential confusion about how regulations apply and to whom. They benefit the farming industry across Wales by creating a

¹⁴ <https://www.woodlandtrust.org.uk/media/1836/what-are-ancient-trees.pdf>

¹⁵ <https://www.legislation.gov.uk/wsi/2010/1821/contents/made>

level playing field for all farmers. They also incentivise all farms across Wales to reduce pollution risk from their activities which can lead to multiple efficiencies on farms.

42. NMS will help deliver significant benefits for the climate, helping the Welsh Government achieve its climate targets, as nitrogen additions to the soil in the form of fertilisers exacerbates the greenhouse effect and, therefore, global warming. They will lead to significant benefits across Wales's fresh-water and groundwater environments, benefiting the natural world and the people of Wales. In addition, it will lead to nutrient reductions in the coastal waters around Wales, thus helping recover the marine environment.

43. NMS will ensure the best standards for agricultural practices across Wales, which will be critically important for Welsh businesses and their ability to maintain international markets for their products as the need for improving environmental standards increases globally, given the global nature crisis. However, WTW wants to emphasise that the absence of an improved regulatory regime for agricultural pollution could damage the farming industry, particularly where compliance or regulatory equivalence is needed for markets overseas.

44. An all-Wales approach through NMS will support the development and implementation of sustainable farming across Wales. This is also critical in ensuring a level playing field and will deter potential shifting of the issue to non-regulation areas. It also has to be remembered that compliance with regulation is a standard requirement for all businesses to avoid detrimental impacts on public health and the environment. An all-Wales approach will also assist in the broader need to restore the resilience of ecosystems needed to protect and restore nature, which can only be achieved through a national approach.

45. In addition, an all-Wales approach will:

- Address the severity of the decline in nature across Wales, which requires a national response
- Enhance ecological networks and enable the provision of ecosystem resilience to support climate change mitigation
- Communicate to all farmers that agricultural pollution is a serious problem and avoids the potential for some farmers to think that as the pollution regulations do not apply to them in their area, their practices are non-polluting, and therefore, no action is required
- Enable more efficient use of nutrients across Wales and enable the agricultural industry to show that it has adopted significantly improved production standards.
- Incentivise all farmers across Wales to reduce pollution risk from their activities, leading to multiple efficiencies on their farms. The measures in the regulations are expected to reduce losses of pollutants to the environment each year by approximately 2,000 tonnes, an environmental benefit equating to £300m. This includes nitrates, phosphorus, ammonia, and nitrous oxide.

46. Finally, the adoption of NMS will target farms across Wales that are not addressing their agricultural pollution issues and not following good practices. NMS will, therefore, have minimal impact on farms already compliant with existing regulations.

47. In Scotland, General Binding Rules (GBRs) have had a significant impact on addressing agricultural pollution. They are administered by the Scottish Environment Protection Agency (SEPA) and provide statutory controls over certain low-risk activities which cumulatively pose a risk to the water environment. GBRs were introduced in 2008 to reduce diffuse pollution from agriculture, which was identified as the largest polluting pressure on Scotland's water environment. 14 priority catchments were initially identified where diffuse pollution was a significant problem. SEPA has worked closely with land managers in these catchments to encourage compliance with the diffuse pollution GBRs. It has

involved a significant campaign that increased awareness of the problem and GBRs, and this has been achieved through farm visits and training. The success of this approach was carried through by expanding the number of priority catchments to 57 from 2015 to 2021¹⁶.

ENDS

¹⁶ <https://www.gov.scot/publications/delivering-scotlands-river-basin-management-plans-water-environment-controlled-activities/pages/5/>