

## **Economy, Trade & Rural Affairs Committee Inquiry on Farming Connect**

NFU Cymru welcomes the opportunity to provide written evidence to the Senedd's Economy, Trade and Rural Affairs (ETRA) Committee Inquiry on Farming Connect. We note the Committee will be focusing on the preparedness and capacity of Farming Connect to deliver the future services required under the Sustainable Farming Scheme (SFS) from 2025, as well as support farmers during the transition.

NFU Cymru champions Welsh farming and represents farmers throughout Wales and across all sectors. NFU Cymru's vision is for a productive, profitable, and progressive farming sector producing world renowned climate-friendly food in an environment and landscape that provides habitats for our nature to thrive. Welsh food and farming delivering economic, environmental, cultural, and social benefits for all the people of Wales whilst meeting our ambition for net zero agriculture by 2040.

Ahead of the short one-day Inquiry on 22 February 2024, NFU Cymru is pleased to be able to provide the Senedd's ETRA Committee with this written submission.

1. Farming Connect is the Welsh Government programme that provides support, advice, guidance and training for farm businesses in Wales. Operational since 2002, the programme has been funded through successive EU Rural Development Programmes (RDPS) receiving a funding allocation of almost £46.5 million during the RDP 2014-20 programming period which equated to around 5.5% of the total budget – an uplift of 50% from the previous RDP (2007-13).
2. In February 2023, Welsh Government<sup>1</sup> announced £22.9m for Farming Connect over the next two years, from domestic funds, to support farmers as they prepare to move to the new Sustainable Farming Scheme with the overarching aims of sustainability, improved environmental performance and greater global competitiveness. This support is delivered through a number of mechanisms including subsidised one-to-one and group business and technical advice, subsidised training and knowledge exchange through the farm network, surgeries and clinics etc.
3. In December 2023, Welsh Government<sup>2</sup> published its twelve-week consultation on the final proposals for the Sustainable Farming Scheme (SFS) which will be the main mechanism for supporting farmers in Wales from 2025, arranged around a three-layer structure of Universal, Optional and Collaborative Actions aimed at delivering the Sustainable Land Management objectives set out in the Agriculture (Wales) Act 2023.
4. References to Farming Connect within this consultation are limited, with two specific mentions of the Farming Connect programme (contrasting to 40 references to Farming Connect within the previous SFS Outline Proposals consultation). The reason for this is not clear. There is, however, a proposal from Welsh Government to continue to offer a range of advice, guidance and learning in the years to come and numerous references to the provision of advice and guidance to support farmers with the SFS including with some specific Universal Actions; skills development and mentoring to new entrants; and the possibility of facilitation support for common land management agreements.
5. We are somewhat surprised, at this late stage, at the lack of clarity and detailed proposals for Farming Connect post 2025, including the proposed funding allocations. Based on the

<sup>1</sup> [Over £22m Farming Connect support for Welsh farmers | GOV.WALES](#)

<sup>2</sup> [Sustainable Farming Scheme - Keeping farmers farming \(gov.wales\)](#)

information provided by Welsh Government on the Farming Connect Programme through the transition and on the provision of advice and guidance to support the delivery of SFS it is not easy to determine whether the Farming Connect Programme is well placed to deliver the future services required and we believe that clarification on Farming Connects' proposed role is needed.

6. We note that Welsh Government, in its response to co-design<sup>3</sup> published in June 2023, commits to *“learning from and adapting the current Farming Connect model to make sure farmers can be confident they will receive the advice, guidance and support they need to transition to, and make the most of, the scheme”*. We are not clear how Welsh Government proposes to take forward the process of ‘learning’, but it should be noted that specific feedback on the shape, design or funding of future advice and guidance requirements relating to the scheme has not been sought within the consultation document. We, therefore, believe that the Senedd Committee Inquiry is both pertinent and timely.
7. From our perspective the provision of advice and guidance is required to address a number of needs. Firstly, there are the advice and guidance requirements associated with the operational aspects of the SFS, recognising the very significant change farmers are facing with the transition away from CAP support schemes including the Basic Payment Scheme (BPS). Secondly, there is the advice and guidance provision including knowledge transfer relating to the development of farm businesses. In the context of the Agriculture (Wales) Act 2023 this will presumably be in line with the SLM objectives.

## Advice and guidance to support SFS operational delivery

8. By this, we mean the advice, guidance and support required to enable farmers to apply for and meet all the obligations of the scheme, including those farmers that are digitally excluded.
9. Firstly, NFU Cymru very much welcomes Welsh Government’s proposal to use Rural Payments Wales (RPW) online as the operating model for SFS, building on the previous success of RPW Online and the annual Single Application Form (SAF) process. We believe this approach most closely aligns with the key NFU Cymru principle for future agricultural policy which emphasises the need for a scheme that is simple to administer and apply for. We have long argued that the scheme should be designed so that any farmer, at the Universal Action layer, should be able to apply, comply and complete all the Actions without the need for advisers and consultants. We believe advice and guidance provision should be prioritised for the development of the Optional and Collaborative Actions Layers which we expect to be delivered via more complex, bespoke contracts.
10. It is important to recognise that, traditionally, Farming Connect has not fulfilled the role of providing advice and facilitating access to support schemes such as BPS. Advice on the specific requirements of Welsh Government schemes has been provided via the Farm Liaison Service (FLS) which has provided an invaluable service to farmers on the various schemes and regulations over many years. Our members very much appreciate the trusted relationships they have developed with the FLS team across Wales. We are disappointed that Welsh Government continues to downplay the role of FLS in the implementation of future Schemes given that it is undoubtedly the most valued and cost-effective approach to delivering high quality scheme related information. It is our strong recommendation that the FLS should be retained and build on their strong track record of delivery to provide support to farmers accessing the Sustainable Farming Scheme via the RPW online portal.
11. It is also important to highlight that thousands of farmers in Wales are supported on an annual basis with the completion of their SAF by agents such as NFU Cymru County Advisers and

<sup>3</sup> [Sustainable Farming Scheme Outline Proposals: co-design response | GOV.WALES](#)

Group Secretaries who also fulfil an invaluable role sharing scheme related information and appealing scheme related penalties etc. These representatives have developed trusted relationships with farmers over many years and are likely to continue to be the 'first port of call' for many farmers on matters relating to future support.

12. NFU Cymru has concerns that, in addition to the annual declaration process, Welsh Government is currently proposing significant reporting requirements in relation to Universal Actions that are likely to increase the burden on farmers and those who support them currently, also increasing the risk of scheme breaches as a result of overlooked reporting deadlines etc. As a result, we believe, Welsh Government must do more in the scheme design phase to ensure the burden of reporting outside of the annual SAF process is more proportionate. This will be necessary to avoid the capacity issues that are likely to arise.
13. NFU Cymru would have concerns if Welsh Government proposed to provide additional investment in the Farming Connect programme that duplicated the current offer provided by the FLS and private agents. There is not market failure and we would highlight that Farming Connect has limited operational experience in this field. The current Farming Connect structure based around 'ad hoc' interventions of advice and general awareness raising arguably does not lend itself to the type of service required which is more iterative in nature. There is also the issue of liability over where responsibility and accountability would lie in the event that the advice / support provided was inaccurate leading to an adverse impact on the farm business.
14. In the context of limited funding, NFU Cymru does not believe that investment in advice and guidance provision to remedy an overtly complex scheme design represents good value for money.
15. That is not to say that NFU Cymru is not supportive of Farming Connect assistance to farmers for the delivery of specific requirements of the scheme. NFU Cymru would highlight, however, that there is ambiguity within the current SFS proposals in relation to a number of Universal Actions (UA) and scheme requirements and whether it is proposed to support their delivery via the Farming Connect programme.
16. For example, UA2 Continuous Professional Development, it is proposed, will comprise online learning modules complemented by other learning activity such as discussion groups or demonstration farms. What is not clear is whether this will be delivered via the Farming Connect mechanism. NFU Cymru believes Welsh Government must properly evaluate and undertake a lesson's learned exercise of the online training offer currently provided by the service before investing significant sums in the future programme.
17. UA3 on Soil Health Planning which includes soil testing and nutrient planning. Nutrient Management Planning, including soil sampling, has long been subsidised via the Farming Connect one-to-one or group advice mechanism. It is not clear whether the proposed detailed guidance, advice and support referred to in the consultation will be subsidised through the Farming Connect mechanism. The capacity of Farming Connect to deal with what could be a significant uplift in the number of farmers requiring this type of support also merits consideration.
18. Similarly, the SFS will require all farmers to complete a carbon assessment within the first year of joining the Scheme using a carbon calculator. The Universal Baseline Payment, it is proposed, will cover the farmers time to complete. What is not clear is whether Welsh Government proposes that farmers will be able to access Farming Connect subsidised advice to support them with the completion of this requirement, noting that this would be funded via the service currently and some farmers are likely to need support to deliver this action.

## Advice and guidance provision relating to the development of farm businesses

19. NFU Cymru has long been clear in its vision for future agricultural policy, based around a single, integrated, flexible framework of three cornerstones – productivity and environment underpinned by measures to provide stability and address volatility.
20. NFU Cymru believes the latest scientific research, development of innovative tools, technologies and practices and knowledge exchange are all critical to solving the productivity and resource efficiency challenges that Welsh farmers face. In this context, NFU Cymru is supportive of targeted and integrated knowledge exchange, advice and incentives across a range of themes to drive forward productivity and deliver measurable improvements in economic and environmental performance. Examples of key themes include climate change mitigation measures, animal health and welfare, environmental management and enhancement, grassland management, soil and nutrient management and health and safety. Skills and training in key areas such as machinery and equipment are also very important, particularly for new entrants and young farmers.
21. Wales should be proud of its track record of delivery in this area which has seen sustained investment in programmes such as Farming Connect spanning over two decades and we recognise the important role that Farming Connect has to play in contributing to productivity improvements going forward alongside supporting the industry to deliver environmental outcomes.
22. We are disappointed, however, that in the latest SFS proposals Welsh Government ‘s commitment to a stability measure appears to be time limited with phasing out over the period to 2029. Furthermore, Welsh Government’s proposed payment methodology is based on costs incurred, income forgone calculations which means that the Universal Baseline Payment for the delivery of Universal Actions will not provide the meaningful new income stream promised to farmers.
23. At this stage, we are highly concerned at the lack of commitment from Welsh Government to a long-term stability measure to underpin food production and farm business viability – which we are clear will be vital to provide the platform from which important goods and services (environmental, socio-economic and cultural) can be delivered.
24. In this context, NFU Cymru is clear that the potential performance improvements secured through the delivery of the proposed Universal Actions will be insufficient to mitigate for the loss of direct support. We also believe that the potential contribution of advice and guidance from Farming Connect, or indeed other providers, is overstated by Welsh Government who appear to possess an exaggerated perception of the likely contribution that advice and guidance can make to farm business viability in the absence of the direct support or stability measures.
25. We believe this perception is highly misguided. Despite the significant and increasing investment of public funds over twenty years, evidencing impact and value for money of the Farming Connect programme remains challenging. Independent evaluation<sup>4</sup> concluded that programme had *“performed well, is trusted and well respected. Farming Connect plays an important role in creating the foundations for change leading to **small scale incremental changes**<sup>5</sup> that are, on aggregate, having a positive contribution to the agriculture sector”*. It is important to recognise that this evaluation of the programme took place during a period when farmers were being supported through the BPS.

<sup>4</sup> [Evaluation of the knowledge transfer, innovation and advisory services programme: final report | GOV.WALES](#)



26. Overall NFU Cymru is clear that investment in advice and guidance provision is not the 'silver bullet' and will be insufficient to make up for the loss of a stability mechanism that underpins farm business viability and supports farmers to address volatility associated with factors beyond their control. The need for a long-term commitment to a stability mechanism cannot be overstated. Increased levels of investment in advice and guidance measures above current levels without a clear business case would also be highly concerning to us.
27. NFU Cymru would also take this opportunity to highlight that advice and guidance on technical and farm business development matters is available to farmers from a range of sources. We have long highlighted the need for better co-operation and collaboration to avoid duplication, repetition and event saturation. This includes the unions, AHDB, HCC, agriculture suppliers, banks, accountants, solicitors etc. In the context of the funding constraints experienced by Welsh Government we identify a fuller analysis of market failure in this sphere would be helpful. A full evaluation to understand impact and modelling to demonstrate the likely cost benefit of increased investment in such interventions is also needed.
28. The Farming Connect evaluation identifies that the small scale, incremental changes over a long period of time reflects the fact that many businesses are "*capacity and resource constrained*". NFU Cymru believes this underscores the need for investment support, alongside advice and guidance, to drive improved productivity on Welsh farms.
29. The SFS must include grant support to facilitate the development of farm businesses with funding made available to support investment in modern on-farm infrastructure, the latest technology and innovation aimed at delivering production and resource efficiencies which in turn would also have positive environmental impacts. Investment support needs to be easy to apply for and well-resourced.
30. Welsh Government must also recognise that businesses need the confidence to invest in productivity measures and that this confidence is undermined by uncertainty and volatility in the market which up until now has been, in part, mitigated through the provision of direct support. Regulatory and planning requirements are also identified by many of our members as a key barrier to the development of sustainable farm businesses for the future.
31. Finally, through successive Welsh Government consultations, Welsh Government have conveyed a perception that farming in Wales is low skilled. Whilst we recognise the positive role that advice and guidance can play in supporting the development of farm businesses, we do not agree that farmers have underinvested in professional development and observe many of our members are educated to degree level and above and undertake CPD from a range of providers. We recognise that CPD is an important component of farm business development, however, Welsh Government must recognise that many farmers are well qualified and certainly, in many instances, better qualified and experienced than the advisers sent out by government programmes to advise them. A process by which this prior learning can be recognised is, therefore, going to be vital.
32. To conclude, NFU Cymru welcomes the opportunity to submit written evidence to the Senedd ETRA Committee ahead of its inquiry on Farming Connect and its preparedness and capacity to deliver the future services required under the Sustainable Farming Scheme (SFS) from 2025. We identify that there remains some ambiguity around the precise role Farming Connect will play as we transition to new schemes. We are clear that, moving forward, advice and guidance should not be used as a means to make up for an overly complex scheme design and any future role for Farming Connect should be designed to dovetail rather than

duplicate the wider advisory and support network that already exists to support farmers in Wales.

33. We trust that this contribution addresses the questions raised by the Committee and we look forward to giving oral evidence to the inquiry next month.

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