

Thinking about a Welsh Agricultural Policy after Brexit:

Professor Janet Dwyer, Countryside and Community Research Institute, University of Gloucestershire

Welsh agriculture, and the Welsh land-based sector generally, play a central role in the country's character, embracing its rural economy, community, cultural and natural environment. Supporting a resilient, high quality and sustainable land-based sector has been a key goal of Welsh policy for many years. The *Farming, Food and Countryside Strategy (2009)*, which was produced with widespread stakeholder support, aimed 'to achieve a sustainable and profitable future for farming families and businesses through the production and processing of farm and forestry products while safeguarding the environment, animal health and welfare, adapting to climate change and mitigating its impacts, while contributing to the vitality and prosperity of our rural communities.' I am therefore assuming that these goals are still broadly relevant and would be endorsed by the new Welsh Assembly Government.

As the UK begins to consider the process of negotiating the Brexit deal, the message from London has been clear, for the short to medium term. Speaking at a meeting this week, the Deputy DG of Defra emphasized her view that Ministers are likely to seek a process of 'roll-over' in respect of much of environmental, food and agricultural policy; for the next few years after we have left the EU. In that sense, we can anticipate a fairly close translation and adoption of many of the basic instruments of EU legislation, including established regulations on the environment, and a proportion of those relating to agriculture and rural development. However, given the longstanding view of the UK Treasury that the CAP does not best suit UK interests and that its Pillar 1 payments, in particular, should be phased out, I would anticipate moves to reduce the scope and scale of this kind of support, in future.

The critical factor of most influence in the medium term could well be the trade deal which the UK negotiates with the EU as part of the withdrawal process. It is currently unclear how much that will change our trading relations with the rest of Europe but this is clearly very important for the Welsh sheep sector, in particular, and for our close trading ties with Ireland for a range of farm products. The fact that the current EU Commissioner for Agriculture is Irish, and should understand well this relationship, could be a positive factor, but the developing situation could make our agricultural markets more volatile.

Returning to the prospects for agricultural support beyond the CAP, my view is that Wales will do well to adopt a more cautious approach to the reform or reduction of Pillar 1 than might be the dominant view in Whitehall. If this kind of reform is only modest in the rest of the EU after 2020, then Wales could lose much of its comparative advantage in key sectors if it opts for a more radical approach. Reminding the UK Treasury of the marginality of much of Welsh farmland and its critical value for natural capital and ecosystem services could help to ensure that more public funding for farming and rural land management in Wales is maintained, after Brexit. A commitment to continue supporting farmers in a broad and inclusive way could help to cushion market instability. Nevertheless, the Assembly Government could take the opportunity to reshape cross-compliance conditions to better fit Welsh priorities, or to tweak the distribution of payments (e.g. via tapering or capping, or linking them more to social and environmental vulnerability) to promote a system which would command wider support from the people of Wales, going forward.

There should, however, be many opportunities for positive change within a post-Brexit agenda. In brief, I would highlight the value of encouraging a more diverse agriculture across the country; supporting innovation and knowledge in the sector; and focusing upon generational renewal, as three things which could help to give Welsh farms and the Welsh food system a brighter and more sustainable future. In

the light of future uncertainty about markets and trade, and challenges like the growing impacts of climate change, it will be more important than ever to ensure that those managing the land and producing food and environment for the people of Wales have the best possible training and access to good advice and research back-up, as well as the confidence and ability to seize new opportunities in changing markets – maybe in horticulture, orchards or vineyards, for example.

Maintaining and building upon Welsh success stories like Menter a Busnes, Agriscôp, the excellent technical research and outreach work at Henfaes in Bangor and IBERS in Aberystwyth and the advisory services of Farming Connect; Wales could develop a more integrated strategy to help equip farms to adapt successfully and sustainably. The new generation of farmers coming through the Welsh agricultural colleges should also be encouraged to incorporate ‘triple-bottom-line’ approaches in business planning and enterprise development, to maximize their economic, environmental and community resilience. And support services including the banks, accountants, land agents and others could be called upon to work more with government to encourage business standards across the sector.

I also think partnership and working together is going to be more important, to tackle future challenges. For Wales, I would highlight three areas for special attention:

- At a farm and community level – encouraging more family or business partnerships as a way to facilitate succession on farms, and to promote successful generational transfer where successors are lacking; also freeing up the room for manoeuvre of local community organisations like LEADER, whom we will certainly continue to need in future;
- In farm and forestry supply chains – working to improve the quality, diversity and sustainability of products and to strengthen consumer loyalty to Welsh produce, enabling farmers to build more lasting and fair relationships with processors, distributors and retailers across Wales and maximizing the value of Welsh quality branding to increase the returns to producers;
- At a landscape scale, building more inclusive, long-term planning and management approaches where farmers, environmental experts, local communities and all those whose businesses depend upon the high-quality natural and cultural landscape, work closely together to shape and help deliver the best targeted support for their areas. These could include simpler and more locally-informed agri-environment or ecosystem services schemes, woodland management strategies, local renewable energy plans, community and visitor services, even crisis and relief networks. Across Wales, some bodies could already take a lead - notably the National Parks and AONBs - but there would also be value in fostering new multi-actor partnerships in areas which don't yet have a ready-made governance structure (we discussed this prospect with the former Committee last year, as part of the supporting arrangements for NRW's work). To me, the saddest thing about our current schemes and systems is that too many of them are put together by officials working a long way from the coal-face. If farmers, environmental experts and local communities could be more closely involved together in deciding how best to protect and enhance their landscapes, I think the outcomes would be more lasting and significant.

Being in a position to design and successfully deliver new approaches when we leave the EU should focus the minds of policy-makers upon how best to forge these initiatives and partnerships, now. The benefit of concentrating upon getting new institutions, a stronger knowledge-base and innovative capacity, and improved collaborative working now will be that, no matter what then happens, Wales will be much better-equipped to rise to the challenges ahead.