

**Submission to NAW Climate Change, Environment and Rural Affairs Committee:
Inquiry into Future Welsh Policies Relating to Agriculture and Land Management Following
Departure from the European Union: 28th September 2016**

Katharine Foot; Senior Lecturer in Rural Policy and Planning, Royal Agricultural University

The following comments are informed by the three questions posed by the Committee in relation to its Inquiry (namely future fundamental outcomes of policy, lessons learnt from other policies, and the degree to which Wales should develop its own policies or rely on a broader UK-wide framework). Given the scope of the subject, and the early stages of policy development, the comments are, by necessity, broad in scope and seek to highlight areas of significance, rather than given categorical answers. The views expressed are mine personally, and are not official policies of the Royal Agricultural University.

The Rural Fundamentals in Wales

Whilst the highest profile implications of the referendum vote to leave the European Union relate to agricultural and rural development policy and funding, the decision provides an opportunity to re-frame rural policies in Wales more widely. The variety of, often potentially competing, demands on the countryside (for example, food production, raw materials provision, energy, landscape, water, housing, wellbeing, recreation and tourism, and employment etc.) mean that arguably the necessity of a robust and holistic policy framework to balance these interests and ensure a sustainable Welsh countryside, is even more acute in rural than in urban areas, and will continue to be so. Whilst new policy frameworks will need to address international requirements, such as those from bodies such as the UN and WTO (many of which are currently translated through the EU) the current situation provides an opportunity to evolve a new Welsh-specific fully integrated rural policy framework which looks to address not only those aspects of rurality which stem directly or indirectly from the natural environment, but also those relating to communities and economic activities in rural areas where the issues and opportunities relate more peripherally to the natural environment.

If such a policy-framework is to be achievable, the importance of having a robust up-to-date evidence based to inform policy makers is significant, including how issues and opportunities may vary between different geographic areas due to factors such as accessibility, topography or historic economic activities etc. The overall picture of rural areas in the late 2010s is likely to be complex and this will create challenges in creating a policy framework which is clearly enough in its higher level objectives, but also responsive enough to properly address the variety of factors which apply in differing parts of rural Wales. At a high-level, there is likely to be a variety of factors that come into play, including:

- 1) There is little doubt that farming and land-use issues will need to continue to form a core part of policy. Farmers will continue to play a significant role in rural areas both as food and resource producers and as 'rural custodians' (for example, as managers of landscape; biodiversity; natural resources such as water, soils and carbon sinks; and also as important contributors to the social and economic fabric of their communities). Farms or commons make up over 80% of the land in Wales¹, with agriculture contributing around 4% of regional employment in Wales². However, there are, and will remain, challenges to the farming community which will need to be addressed by future policy – for example:
 - a. The ability to attract new entrants into farming. The average age of the Principal Farmer (i.e. the main decision maker) in Wales in 2013, was 60 years.³

¹ Welsh Government Welsh Agricultural Statistics 2014

² National Statistics: Agriculture in the United Kingdom 2015

³ Welsh Government: Welsh Agricultural Statistics 2014

- b. Farming in many areas of Wales, particularly uplands, is financially challenging, and by its nature, volatile, with the present agricultural support mechanisms often comprising all, or the majority, of the profit to the business. This can be compounded by issues such as animal or plant diseases.
 - c. Policy frameworks, and the tools used to implement them, are often relatively short-term in aspiration, and this has been particularly so in respect of the ongoing reform agenda under the CAP. Whilst it is necessary to ensure that policy is responsive to changing external factors, continual reforms exacerbate uncertainty, and can also be alien to family farming businesses where decisions are often made with regard to their impacts on the next generation.
 - d. New policies relating to the maintenance and enhancement of natural resources, such as those relating to climate change, biodiversity, water and soil will need to be constructed in such a way that their implementation approaches are considered workable by farmers, otherwise there is a risk of disengagement in voluntary approaches, particularly if financial support from the government were to be reduced in some areas. Relying on legislative approaches for delivering these types of objectives would be highly expensive to manage, and is likely to be counter-productive.
- 2) Approximately 20% of the land area of Wales is covered by National Parks (in comparison to 9% of England)⁴ and there are five Areas of Outstanding Natural Beauty. Whilst the natural beauty of Wales and its landscapes presents many opportunities, with it come constraints for inhabitants and businesses within these areas.
 - 3) Housing affordability is a significant issue in some areas of rural Wales. The Joseph Rowntree Foundation's Commission on Rural Housing in Wales in 2008 highlighted that housing affordability problems are widespread in rural areas and can be more acute than in urban ones.
 - 4) Physical and electronic connectivity are more challenging for businesses and people living within rural areas. For businesses, this potentially reduces access to suitable employees as well as to markets and competition, and can therefore increase costs and potentially limit expansion. Connectivity issues can also limit employment, education and training, and social opportunities for individuals, with, as the Wales Rural Observatory finding its 2013 report on 'The Experiences and Aspirations of Young People', the young often particularly affected.
 - 5) There are significant pockets of rural deprivation in Wales and employment opportunities are often limited. Whilst affecting all age groups, limited employment possibilities often most acutely affect the young, and when combined with issues relating to housing affordability, can lead to skilled young people leaving rural areas, and potentially feeling unable to return, with resulting imbalances in the population structure, A multi-pronged approach is therefore needed focusing on education and training, public transport, job creation in rural areas, and on enhancing opportunities to capitalise on a digital economy which is less location dependent.
 - 6) An ageing population will present more demands on public services in future. The Wales Rural Observatory notes that the 2011 Census showed the highest proportion of residents aged 65 years and over seen in any census, at 18.4%, and that this is even higher in rural authorities at 21.7%⁵. Older people are often particularly affected by the loss of local services, and public transport, and community cohesion in rural areas is likely to assume an increasing importance in the future with a greater number of older people needing support within their communities. It is therefore even more imperative than previously that the social impacts of the future rural policy framework are considered alongside those relating to the economy and environment.

A New Policy Framework

The factors listed above, are merely a snapshot of some of the particular issues facing rural Wales. There are others, for example, energy efficiency and generation, which cut more broadly across rural

⁴ National Parks UK

⁵ Wales Rural Observatory: The Experiences and Aspirations of Young People in Rural Wales, 2013

and urban areas (although often have particular rural issues), and which may not be fully devolved. 'Rural proofing' all devolved policy areas (although not without its critics) will continue to be important in balancing the rural policy framework with other policy areas.

So what should a new rural policy framework aim to do? At this stage, any emerging policy framework ideas are likely to be mainly aspirational, and the following list is not an exception:

- 1) Farming and land management will need to be fundamental to the new rural policy framework, given the scope of influence of the farming community on the management of natural resources, as well as as employment creators and contributors to the Welsh rural economy and society, and to food security.
- 2) However, the new rural policy framework, should aim to be truly 'sustainable' in its approach in balancing consideration for environmental, economic and social issues in rural areas. The development of a new rural policy framework provides an excellent opportunity to showcase the objectives of the Wellbeing of Future Generations Act – and a long-term approach to overarching policy strategy would also be beneficial to rural areas (for example, creating greater stability to encourage investment).
- 3) As recognised in Lesley Griffith's statement of 15th September 2016 on Future Environment and Rural Affairs Policy, there is widespread feeling that the Welsh farming sector needs as free an access to trading markets as possible, as farms need to be able to continue to operate as businesses, regardless of any wider governmental support which may exist.
- 4) It will be necessary to continue to work with the Westminster Government on a range of areas, not least those relating to trade, or which are not devolved. This presents an opportunity to potentially take a pragmatic approach to co-operation in relation to some additional areas of rural policy development as many of the issues facing rural Wales (for example, particularly those relating to older and younger people) are similar to that of rural England. There may therefore be opportunities to share approaches, research and policy development in some areas. In addition, a greater number of Wales-specific policy implementation mechanisms also runs the risk of a narrowed professional knowledge and education base which may outweigh the benefits of Wales-specific policies in some areas. However, that said, it is important that the over-arching approach to Welsh policy is a Welsh one, particularly given that there are areas of significant difference between England and Wales, particularly in terms of farming structures. The Welsh farming system is characterized by family farms, which are typically smaller than those in England (an average size of 48 hectares in Wales, in comparison to 88 hectares in England⁶), and with a high proportion of owner occupation (a 2010 survey of around 1000 Welsh farms by the Wales Rural Observatory⁷ finding that 74% of farms were owned by the farming household, with 16% being mixed tenure and only 10% being rented).
- 5) There will need to be financial mechanisms in place to continue to support these family farms, particularly those which are smaller and/or within the uplands. Complete withdrawal of financial support from these farms would see some farms continue to survive, however, may well lead to significant restructuring of the farming sector, and potentially the withdrawal of many small to medium sized family farming businesses from farming. This would potentially have a range of social, and environmental impacts. Research by the Wales Rural Observatory looking at the impact of the 2014 reforms of the CAP⁸, highlighted that the Welsh farming system is one dominated by the family-workforce, and this is particularly the case on smaller farms. Measures leading to extensive restructuring of the farming sector are therefore likely to lead to significant social and employment impacts in rural areas, and in particular for farming families. Farming structures would be likely to shift towards smaller numbers of larger farms, with more land rented. Larger scale farmers are likely to focus on more productive land which

⁶ National Statistics: Agriculture in the United Kingdom 2015

⁷ Wales Rural Observatory: A Survey of Farming Households in Wales

⁸ Wales Rural Observatory: An Analysis of the Socio-Economic Impact of CAP Reforms on Rural Wales; Phase 6 Report

may therefore also result in more marginal and less productive land being essentially abandoned with attendant landscape and environmental impacts. Whilst it could be argued that this could be done in a managed way, potentially to the advantage of the environment, the risk is that without direct financial support to farmers, the influence the the government can have over the ways farmers manage land will significantly diminish. A smaller number of farms would also potentially reduce the positive contribution that farmers often make to their communities. Given the relatively flexible nature of the farming day, farming families are often the eyes and ears of the community during working hours whilst others are away from the community at work. Farmers also often provide support (frequently on a voluntary basis) to local communities in emergencies, as they often have the nearest heavy machinery. A changed, and less family-orientated farming structure, would have significant impacts, therefore, socially for rural communities, and it is important that farming policy takes these social factors into account, as well as environmental and economic ones.

- 6) In addition to having a continued focus within rural policy on evidence-based management of animal and plant diseases, any new farming support schemes should continue, and arguably accelerate, the trend of recent schemes in moving to balance factors such as water management and quality, carbon, landscape, and public access alongside biodiversity. Support should also continue to be available for young people entering farming, and also for succession planning for farms, given the ageing farming population. It is acknowledged that with this range of aspirations runs the risk of making schemes increasingly complex and this, in turn, runs risks of disengaging the farming community from the objectives of the schemes themselves (particularly if, as a result of scheme complexity, farmers need professional advisers to interpret schemes for them, thereby putting a step between the government and farmers and potentially resulting in less effective delivery of the objectives on the ground). The Welsh system has historically had strengths in taking a less 'call-centre' based approach to the delivery of its farming schemes, and it is important that this is maintained, and potentially enhanced, with more government scheme advisors available to visit farms to engage with farmers directly. Anecdotally, experience of frequent changes under existing schemes (such as re-mapping under the CAP schemes) has also created a fatalistic 'I can't win' mind-set amongst some farmers which again risks disengaging the farming community from delivering the Government's wider policy objectives. Therefore it is important that, whilst new support schemes aim to address an integrated range of objectives, they are as stable and administratively simple as possible, and contain opportunities for both large-scale support (say for landscape-scale projects) as well as bespoke support for specific issues on a farm-by-farm basis (for example, addressing the future costs to individual farmers of dealing with the high number of large buildings on farms which are ageing and may contain asbestos).
- 7) Outside farming, the approach to policy framing for other rural issues needs to be integrated. Transport and access to public services affects both young and old alike in rural communities, potentially creating social disadvantage and isolation, as well creating potential constraints on employment and the economic success of rural areas. Specific policies focusing on supporting rural employment are also needed within the overall rural policy framework, as are ones supporting both the young and old within rural communities.
- 8) Access to housing in rural areas also needs to be a continued area of focus, with an up-to-date evidence base being used to inform a reviewed integration of policy between wider rural planning and landscape policies.
- 9) The policy focus on the provision of high speed broadband in rural areas needs to be maintained and 'future-proofed'. Similarly mobile-phone coverage still lags significantly behind in rural areas and needs to be addressed.

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