

## **Brexit and our land: securing the future of Welsh Farming**

A consultation response from Campaign for National Parks

**October 2018**

1. Campaign for National Parks welcomes the opportunity to respond to the consultation about the basis on which the Welsh Government proposes to continue to support farmers after Brexit. We are the independent national voice for the 13 National Parks<sup>1</sup> in England and Wales. Our mission is to inspire everyone to enjoy and look after National Parks – the nation’s green treasures. We have been campaigning for over 80 years to ensure that our National Parks are beautiful, inspirational places that are relevant, valued and protected for all. As the majority of land within the National Parks is farmed, the future of support for farmers and land managers will be critical if we are to protect and enhance these internationally recognised areas.

### **Executive summary**

- Campaign for National Parks recognises that landowners and managers will play a central role in improving and maintaining our National Parks and the wider countryside and, as the consultation paper recognises, already have a pivotal role in rural communities. In light of our desire for the National Parks to be enhanced and to deliver even more public benefits, we welcome the principle that future support will encompass the provision of additional public goods and the ‘ultimate aim’ of helping land management businesses to ‘stand on their own two feet’.
- The consultation states that a future for Welsh land needs to ‘truly integrate land use with [the] broader ambitions in the *Wellbeing and Future Generations* and *Environment Acts*’. The new programme must be seen as an important opportunity to deliver many of the commitments and objectives in these key pieces of legislation; not least the biodiversity and ecosystems duty for public authorities. These legal commitments will only be achieved, however, if the programme delivers change in how land is managed. The new programme cannot be a new way of propping up the status quo.
- While we support the need for change, we also recognise the importance of getting this change, and the transition to it, right. The Economic Resilience (ER) scheme should play an important role in supporting land managers during the transition period to enable any necessary changes to their business operation to make them sustainable following the end of direct payments. The principle that the ER scheme will be ‘outcome focused investments based on a viable business case, rather than a guaranteed income stream’, is critically important and must be retained as Welsh Government continues to develop this policy.
- Developing and implementing the new programme is necessary and important, but the transition to it is also critical. This is especially the case for farm businesses that are known to be highly reliant on direct payments. To support people during the agricultural transition period it will be essential that there is clarity about the new programme people are transitioning towards. Welsh Government should not begin reducing direct payments without implementing a corresponding increase in funding that is available through the new

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<sup>1</sup> Within this we include the Norfolk and Suffolk Broads as part of the National Park family

scheme. Reductions in direct payments should also be accompanied by the availability of business advice.

- The consultation document recognises that land managers have shaped the Welsh landscape we recognise today. We believe the maintenance and enhancement of the character, beauty and distinctive qualities of our landscapes should be a public good that is included within the Public Goods scheme.
- Within the National Parks we believe the National Park Authorities could and should play an important role in identifying areas within their areas, and arguably around their boundaries, where single, multiple and competing benefits should be prioritised. This should be done through management plans so that this document sets the vision for the Park and then directs future scheme and the delivery of public money.
- Producing and selling high quality food will be central to maintaining support for, and confidence in, land managers, farmers and growers. We recognise the uncertainty that our exit from the EU has created for the agriculture sector and the importance, therefore of getting new trade deals in place and accessing markets. But this must not be achieved through a reduction in safety, welfare or environmental standards or protections.

## **Responses to selected consultation questions**

### **Question 1 - We propose a new Land Management Programme consisting of an Economic Resilience scheme and a Public Goods scheme. Do you agree these schemes are the best way to deliver against the principles?**

2. We welcome the recognition in the consultation of the importance of Wales' landscapes and habitats to the nation's identity. We see the three Welsh National Parks as important, internally recognised, examples of that.

3. Centuries of management have produced the beautiful and inspiring landscapes, the wildlife-rich habitats and cultural heritage within our National Parks. John Dower's report to the Westminster Government in May 1944, which recommended the setting up of the Parks and identified priority areas that should be designated, saw farming as central to the special qualities of those areas. One of Dower's four founding principles was that 'established agriculture should effectively be maintained' and he recognised that farming in the hills required special assistance in terms of capital improvements and income support. He saw little conflict between farming in the 1940s and the distinctive characteristics of the soon to be designated National Parks.

4. There have been significant change in farming practices and society since Dower's report was published. Much of this has been driven over the last four decades by the Common Agricultural Policy. Farming has become more mechanised and often more intensive; the use of fertiliser and chemicals more widespread; summer haymaking has been replaced by earlier cuts for silage and haylage; farms have become larger and more specialised; and small farms have become uneconomic but ever more attractive assets for non-farming purchasers.

5. Campaign for National Parks recognises the role of farmers and land managers and their important part in helping us deliver even better National Parks. And so we support the principle of supporting land managers to produce outcomes that are of huge importance to Wales. This will only

be achieved, however, through a new land management programme that enables changes in practice.

6. While we recognise the importance of land management, we do not claim that the management of the land within the National Parks has always been exemplary. While the appearance of the National Parks have been maintained and areas of them remain havens for wildlife, there are concerns about their flora and fauna. The *Future Landscapes* report, for example, acknowledges the 'substantial challenge to create resilient ecosystems' within the Welsh designated landscapes. It states [page 15]:

'The *State of natural resources report* indicates that no Welsh ecosystems contain all the necessary attributes of resilience, including those in our designated landscapes. A priority for designated landscapes is to act upon these findings and ensure the management and use of natural resources focuses on maintaining and enhancing the status of their attributes – the connectivity, condition, scale/ extent and diversity. Further action in designated landscapes to address biodiversity decline is therefore necessary to maintain and enhance ecosystem resilience.'

7. Landowners and managers will play a central role in improving and maintaining our treasured landscapes and, as the consultation paper recognises, already have a pivotal role in rural communities. In light of our desire for the National Parks to be enhanced and to deliver even more public benefits, we welcome the principle that future support will encompass the provision of additional public goods and the 'ultimate aim' of helping land management businesses to 'stand on their own two feet' [paragraph 4.13].

8. While we support the need for change, we also recognise the importance of getting this change, and the transition to it, right. The Economic Resilience (ER) scheme could and should play an important role in supporting land managers during the transition period to enable any necessary changes to their business operation to make them sustainable following the end of direct payments. The principle set out in paragraph 5.48, which states that the ER scheme will be 'outcome focused investments based on a viable business case, rather than a guaranteed income stream', is critically important and must be retained as Welsh Government continues to develop this policy.

9. Although we recognise there is a role for public policy in creating the conditions in which productivity improves, we do not support the principle of public money being used to improve productivity in the long term. This is because the primary beneficiary of improved productivity is the producer and while there is a finite amount of funding, the priority should be to use it for the delivery of public goods through the Public Goods (PG) scheme. With funding weighted towards the PG scheme, we still believe the land management programme would deliver the five principles of reform.

10. Paragraph 4.3 states that a future for Welsh land needs to 'truly integrate land use with [the] broader ambitions in the *Wellbeing and Future Generations* and *Environment Acts*'. Figure five on page 25 and the box on page 26 of the consultation set out more detail about the legislative framework within which the land management programme is being developed and will operate. The new programme must be seen as an important opportunity to deliver many of the commitments and objectives in these key pieces of legislation; not least the Biodiversity and ecosystems duty for public authorities. These legal commitments will only be achieved, however, if the programme delivers change in how land is managed. The new programme cannot be a new way of propping up the status quo.

11. The Welsh Government must be explicit about this. For example, figure five states that keeping land managers on the land will help keep communities intact and therefore demonstrate the wellbeing principle of 'a Wales of cohesive communities'. As stated above, we recognise the importance of farmers and land managers but the new programme should not seek to keep them on the land at any cost and with no regard to the impact land management is having on the environment. The land management programme will only deliver all of the legislative duties and objectives if the long term emphasis is clearly on the PG scheme, rather than the ER scheme.

**Question 2 - Does the Welsh Government need to take action to ensure tenants can access new schemes?**

12. If the fifth principle of all land managers being able to access the new schemes is to be achieved, then it will be essential that tenant farmers are able to access them. We also recognise the important role tenants can and should play in delivering public goods, as well as producing food.

13. As *Agricultural Holding Act 1986* tenancies have ended and been replaced by Farm Business Tenancy Agreements, it has given rise to short term tenancies. From past agri-environment schemes, we know this impacts on the environmental contribution tenant farmers make as it prevents tenants from being able to plan longer term. The consultation document notes that different ownership models should not constrain the ability of the land manager to deliver outcomes. We recommend, therefore, that the Welsh Government undertakes or commissions a detailed review of Farm Business Tenancies to ensure that tenant farmers are able to benefit from the proposed new schemes.

**Question 3 - From your experience of current programmes, what do you feel would work well for the future?**

14. While we do not own or manage land, our experience of current programmes has highlighted the importance of farmers and land managers being able to access high quality advice. We believe, therefore, to support the transition and uptake of new schemes there needs to be an increase in the availability of advice, especially in locations where the delivery of schemes is known to be complex, such as on common land.

**Question 4 - Do you agree with the focus of the Economic Resilience scheme being on growing the market opportunities for products from the land throughout the supply chain, rather than restricting support to land management businesses only?**

15. We recognise the importance of a healthy, functional supply chain for environmentally sustainable produced products and therefore support the principle that this scheme should not be restricted to solely supporting land management businesses. But such support should be delivered to support the achievement of a wider national food strategy that places an emphasis on the role of food in relation to public health, as well as sustainable production. This would help support the delivery of the wellbeing goals.

**Question 5 - Are the five proposed areas of support the right ones to improve economic resilience?**

16. It is essential that the five proposed areas of support are considered and developed within the context of the statement in paragraph 4.13, that the Welsh Government intends to supply targeted, wide-ranging support through this funding stream to 'those with the potential to be viable' and with the 'ultimate aim' of helping land management businesses to 'stand on their own two feet'.

17. As set out above, we do not support long-term financial support for improving productivity but we recognise there is a need for financial support as part of the transition period. We recognise the emphasis in paragraph 5.29 on supporting a transition to the improved use of natural resources, reductions in business' carbon footprints and a move to more circular economy. We see these as important elements that would improve the sustainability of businesses.

18. Under areas one and two it is essential that the emphasis is on maintaining and enhancing high standards of food safety, animal welfare and environmental protection. Producing and selling high quality food will be central to maintaining support for, and confidence in, land managers, farmers and growers. We recognise the uncertainty that our exit from the EU has created for the agriculture sector and the importance, therefore of getting new trade deals in place and accessing markets. But this must not be achieved through a reduction in safety, welfare or environmental standards or protections.

19. As set out in our answer to question 3 above, we believe the provision of advice is important and therefore support area five. As with all areas however, this must be with a view to helping the land management programme deliver the commitments and duties in the *Wellbeing of Future Generations* and *Environment Acts*, rather than promoting the exchange of knowledge with no regard to enhancing the environment.

**Question 6 - Of the five proposed areas for support, which are the priorities, both in terms of funding, and the sequence of delivery? For example, are certain measures needed in advance of others?**

20. Different areas may need to be prioritised in different areas of Wales and across different sectors. Potato farmers, for example, may need different types of support than upland farmers. There will, therefore, need to be a degree of flexibility and responsiveness within the scheme.

**Question 7 - Should we be investing in people, for example to bring in new ideas, skills and people into land management and the supply chain in Wales?**

21. We would argue that investing in advice, is an important means of investing in people and is how new ideas can be promoted and shared with land managers. The removal of direct payments and the move to a new land management programme will be a significant change for the vast majority of farmers and land managers. Investing in people, through advice and informal and formal training, which supports the sharing and implementation of new ideas and the development of new skills, will be essential if the new programme is to deliver, as the consultation states, a significant contribution to addressing some of our Wales' pressing challenges such as climate change, biodiversity decline, adverse air quality and poor water quality.

22. We also believe new entrants and succession planning could help introduce more innovative approaches to management and support the delivery of more public benefits, as well as high quality food, and so also warrants investment.

**Question 8 - We have set out our proposed parameters for the public goods scheme. Are they appropriate?**

23. We welcome the emphasis in paragraph 6.9 on developing an outcome-based scheme that focuses on rewarding delivery and that land managers will be paid an appropriate value for those outcomes rather than being compensated for input costs.

24. We are aware of the outcomes-based pilot project in the Yorkshire Dales National Park. From visiting the pilot in the Dales, and meeting some of the farmers and advisers involved, we believe this model shifts the relationship between the adviser and the farmer because rather than prescribing actions, it recognizes their expertise and local knowledge. We also believe such an approach can provide better value for money than the current emphasis on income foregone.
25. We broadly support the six parameters set out for the PG scheme but note that the Welsh Government intends to work with stakeholders on the detailed design of them.
26. We support parameter one and note that the public goods set out in paragraph 6.15 are not an exhaustive list. We believe that the maintenance and enhancement of landscape quality and character should be included as a public good within the scheme, but set the case for that out in more detail in response to question 10.
27. Within parameter one, we particularly support the clear statement in paragraph 6.14 that the scheme will not support 'the production of outcomes for which there is a functioning market, principally food and fibre'.
28. We support parameter two, and agree that the new PG scheme should be open to all. As the consultation notes, even where no features or habitats exist at the moment the land manager should be able to access the scheme if they want to change their business and/or land management in order to deliver public goods.
29. As the funding available for this scheme will be finite it is important that priorities are spatially targeted. As highlighted in parameter four, it is important that the future schemes can evidence and deliver value for money. Ensuring schemes deliver public goods in the most appropriate locations to support maintenance or enhancement of environmental benefits on specific farms but also as part of a wider landscape scale approach will help to maximise the delivery of public goods.
30. In our report, *Raising the bar: improving nature in our National Parks*<sup>2</sup>, we argued that National Park management plans should include spatial representations setting out which policies are a priority for different areas of the Parks. This would need to be zonal rather than specific lines on a map, but we believe this is important if policies, for example, around woodland creation are to provide maximum benefits because they should be implemented in a way that links up fragmented habitats or in the most appropriate location within the Parks, rather than simply anywhere. If this is achieved we believe that management plans should play a role in identifying and directing priorities for the implementation of the PG scheme in these areas.
31. We support the principle of supporting additionally in terms of outcomes being above the level required for regulatory compliance. This principle must not, however, be used to penalise those who are already delivering a high level of public goods nor should it penalise those who deliver public goods through more extensive land management approaches. As previously highlighted, we welcome the emphasis on delivering and paying for outcomes, and so if outcomes are maximised through less intensive land management land managers should still receive payments.
32. We strongly support the need for advisory support for land managers (parameter six) but as previously stated, we would argue this needs to be a critical component of the programme as a

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<sup>2</sup> Campaign for National Parks (2018) [Raising the bar: improving nature in our National Parks](#)

whole. We are concerned that if advice under the two schemes is delivered through parallel, unconnected support programmes there will be a lack of integrated, holistic, whole farm planning.

**Question 9 - This scheme is meant to offer land managers the opportunity to access a significant new income stream as the BPS comes to an end. How could we improve what is being proposed to attract land managers whilst still achieving our vision and objectives?**

33. Building on the third parameter, we would also argue that priorities within the new ER scheme should be locally tailored. These local priorities should be developed within an agreed national framework, which sets national priorities and the level of ambition, in order to achieve the vision and objectives for the overarching programme. Once developed, Area Statements should be an important part of the evidence base for informing those local priorities but this local element would, we believe, attract more land managers to get involved as schemes will be more suited to the local environment, habitats and landscapes.

**Question 10 - Are there any other Public Goods which you think should be supported?**

34. The summary of the consultation document recognises that land managers have shaped the Welsh landscapes we recognise today. *Valued and resilient*<sup>3</sup>, which was published in July 2018, states:

‘The intrinsic link between people and place forms an important cornerstone of wellbeing in Wales. Landscapes in all their forms (rural, urban, coastal, marine, industrial, etc.) shape the feelings and identity of individuals, communities and the nation. Landscapes help people to understand their past. They inform the present and help express society’s collective hopes for the future.

‘As visual expressions of identity the landscapes of Wales play a significant role in the process of creating a distinct nation. Some are considered iconic, represented in imagery used worldwide to convey messages about Wales’ collective identity.

‘These are landscapes of national importance with designation conferring the highest status for the conservation of landscape. Millions of visitors enjoy these special qualities every year.’

35. This extract highlights the importance of landscape and we believe the maintenance and enhancement of the character, beauty and distinctive qualities of our landscapes should be a public good that is included within the PG scheme.

36. In line with parameter four, we recognise there would be a need to evidence the connection between land management actions and the delivery of specified outcomes. Measuring significant improvements in the character, beauty, distinctive qualities and resilience of our rural and urban landscapes is challenging but LANDMAP provides a baseline for this work and, therefore, a starting point upon which priorities for improvements in landscape quality and character could be developed within the PG scheme.

**Question 12 - A collaborative approach to delivering public goods may in some instances provide better value for money than isolated activity. How could the scheme facilitate this approach? How could public and private bodies contribute to such partnerships?**

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<sup>3</sup> Welsh Government (2018) [Valued and resilient: the Welsh Government’s priorities for Areas of Outstanding Natural Beauty and National Parks](#)

37. We recognise the importance of collaboration and as set out in paragraph 6.26, while many outcomes will be able to be delivered on individual farm holdings, some may only be able to be delivered at the landscape scale or more benefits will be delivered when land managers work together. We believe this is especially true for landscape quality and character, which we believe should be included as a public good.

38. Collaboration to deliver multiple environmental outcomes should be supported and incentivized where possible. This should be supported by the development of a strategic overview of the priorities for environmental outcomes and enhancements for an area. Individual agreements can still support the delivery of those priorities, and collaboration can be both formal, through joint agreements, and informal, through coordinated advice to neighbouring farmers.

39. As noted in paragraph 6.30, within the National Parks the strategic priorities should be developed by the National Park Authorities and they should also play a key role in delivering advice on the ground.

**Question 13 - Some actions can deliver multiple public goods in the same location. For example, peat bog restoration can have benefits for carbon sequestration and flood risk reduction. However, some locations could be suitable for multiple public goods from different activities. For example, one location may be suitable to either plant trees for carbon sequestration, or to revert to wetland for biodiversity. How could locations for single, multiple or competing benefits be prioritised?**

40. As set out in paragraph 31 above, and our response to question 12, within the National Parks we believe the National Park Authorities could and should play an important role in identifying areas within their areas, and arguably around their boundaries, where single, multiple and competing benefits should be prioritised. This should be done through management plans so that this document sets the vision for the Park and then directs future scheme and the delivery of public money.

41. If it is deemed that the strategy needed to underpin the new land management programme would be too detailed to become part of the management plan then it is essential that there is a clear link between the plan and any new document because land management is so critical in terms of delivering the maintenance and enhancement of the National Parks.

**Question 14 - Given that support for the delivery of public goods will be a new approach in Wales, there will be a requirement for a significant amount of training and advice for the sector. How best could this training and advice be delivered? Which areas of the sector need the most attention?**

42. A range of routes for providing training and advice will need to be supported and this may vary across different types of farms. This may include formal training delivered through agricultural colleges, advice through current, trusted advisers such as agronomists, or less formal routes such as through peer to peer networks.

43. In terms of areas that may need the most attention, we believe that upland and other very remote rural areas should be seen as core areas in which the desired environmental enhancements and outcomes of the PG scheme will be achieved. We believe high quality, locally tailored advice will be essential in these areas. This will also be the case for common land, where again environmental outcomes should be the focus, but the complexity of securing those outcomes needs to be recognized, addressed and supported.



**Question 16 - What are your comments on the phased transition period and our ambition to complete the changes by 2025?**

44. We support the high level ambition set out in paragraph 8.4 to have completed implementation and be operating within the new programme by 2025 and the overall intention [paragraph 8.6] to release funding from direct support and the RDP to fund new schemes. We note, however, that schedule three of the Agriculture Bill states that the agricultural transition period for Wales will be a period of seven years, starting with 2021.

45. We also support the commitment to phasing out direct payments but we recognise that the Basic Payment Scheme has been a major part of the majority of farm business incomes for many years. Managing the transition period carefully and sensitively will, therefore, be crucial. To ensure the new programme is rolled out successfully by the end of the transition period, it is essential that Rural Payments Wales thoroughly tests the new application processes, including any new IT systems needed to administer the scheme, in advance.

46. To support people to transition it will also be essential that there is clarity about the new land management programme people are able to transition towards. Welsh Government should not begin reducing direct payments without a corresponding increase in funding being available.

**Question 17 - What is the most appropriate way to phase out the Basic Payment Scheme to start implementation of the new schemes?**

47. In light of the recognition in the consultation document of the need for detailed analysis around phasing out direct payments [paragraph 8.8], it is difficult to answer this question in a meaningful way. It will be important to understand the potential impact on land managers, including those most dependent on direct payments, to inform decisions about how best to implement phase 1 of the transition period. Analysis should also consider to what extent the businesses affected by the reductions might be able to access some of the freed up funding that will then be delivered through phase 2, the methodical introduction of new schemes. We are disappointed that this detailed analysis has not been done to underpin this consultation.

48. Consideration also needs to be given to how to support those land managers that are due to come to the end of existing agri-environment schemes during the transition period so that they are not unfairly disadvantaged. If land managers are, for example, coming to the end of agri-environment funding and their direct payments are being reduced during this period it is essential they are supported into a scheme, or their existing scheme is extended until the new land management programme is open for applications.

49. Notwithstanding those comments, we are minded to support a progressive reduction of direct payments. If there is to be a finite agricultural transition period, which is currently set out as seven years in schedule three of the Agriculture Bill, then beginning that transition period with a high proportion of recipients earlier, and then managing that transition more gradually for them, appears to be more appropriate.

**Question 20 - Do you wish to make any further comments?**

50. We note that the consultation recognises the importance of a new coherent, principles-based, outcome-focussed and adaptive regulatory floor for land management [page 51]. Getting that baseline, plus both strands of the land management programme, right, will be essential for the

achievement of the sustainable management of natural resources. We agree with the statement in paragraph 7.17 that regulatory reform is a sizeable challenge, but we hope proposals will be brought forward in a timely way because as set out in our answer to question 16, to support land managers to transition, it will also be essential that there is clarity about the new programme people are able to transition towards. There will also need to be clarity on the updated regulatory baseline that will underpin the new programme.

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