

**MUDIAD FFERMWYR IFANC CYMRU
WALES FEDERATION OF YOUNG FARMERS' CLUBS**



SUSTAINABLE FARMING AND OUR LAND - CONSULTATION RESPONSE

The Wales Federation of YFC consists of approximately 5000 young people aged between 10 and 26 years of age as members in 157 clubs throughout Wales and represents a membership of forward thinking Young People who have a willingness to embrace and drive change to ensure a viable and sustainable future for agriculture and rural Wales.

Wales YFC welcomes the opportunity to respond to the Welsh Government Consultation on the proposals contained within the Sustainable Farming and our Land consultation for the Welsh Government's proposals for ensuring that Welsh farming is sustainable. This response is based on the views of YFC members who met to discuss the proposals. Given that the YFC includes members with diverse farming interests, we have sought to reflect and balance these views in this response.

Wales YFC is pleased to note the Government's intention to enable sustainable farms producing food, and recognises the wider public benefits that can be derived from agriculture in Wales. We also are pleased to note the intention to improve the wellbeing of farmers and rural communities as well as the people of Wales and fully support this aim.

This response has considered the overall themes contained within the consultation and provides specific thoughts in relation to some key areas of particular concern to Wales YFC members:

1. Young and New Entrants into Agriculture

It is universally recognised by YFC members that we need to have access into the industry. It is felt that that any future scheme must be much more mindful of young / new applicants than in the past, particularly in terms of grant funding and eligibility criteria. We feel that the present Young Entrants grants are overly restrictive. In particular they are too difficult for those currently outside the industry to get a foothold into farming with the requirement for a 51% share in

the business. We feel that any young entrant incentive or grant should be open to all and should be akin to a start-up grant or loan (therefore providing some support mechanism to help assist initial start-up costs for a range of capital items/stock or even for initial rental payments. If there is true ambition to bring new blood into the industry then there should be a strong commitment to providing support where and when it is really needed. The Student Loans Company provides a template for relatively low interest loans that are available universally. Access to borrowing can be difficult for young or new entrants with a limited track record. However, if a scheme could be devised to allow a reasonable rate of interest, but which is available for start-up costs that would be helpful.

It was also felt that the existing schemes (possibly inadvertently) favour larger farms due to the specifications of the items included. Any new scheme should be less prescriptive and providing there is a strong and justifiable business case for an item to be included, then it should be considered.

There is also a real concern with the current provision of training and knowledge transfer delivered under Farming Connect that this excludes many who are eager to enter the industry, but who do not currently qualify. It seems illogical that someone who has a familial connection, but no appetite to make a future in farming should be eligible for these schemes, but someone without these blood relations who is committed to developing themselves to become a farmer, but is not yet in paid employment or self-employed should be excluded.

There are concerns that even further education delivered in sixth form colleges is more successful for those with some hands-on farming experience. One YFC supporter who teaches in a college highlights that it is challenging to properly equip these young people to gain a future in agriculture when they do not have full access to practical experience. Therefore more apprenticeship style courses are needed (as these prove more successful).

2. Farmers Retirement Fund and facilitating succession

Our membership is open to considering innovative ways of encouraging the older generation of current farmers to think of an alternative way of bringing in new ideas rather than just selling their farm or land. We have seen positive examples of share farming working, but more could be done to promote and support this idea along with other alternative options.

We wonder whether there is sufficient engagement and informal information available to the Government regarding the reasons why older farmers continue to work: is this because they see no alternative, because financially they are tied to their farm (due to not having sufficient pension arrangements or excessive borrowing), because their identity is inextricably tied to their farm, fears about being the generation that "sells out", or simply not wishing to part with a valuable

asset (the farm). These motivations need to be properly understood in order to formulate an attractive route out of the industry to enable new people to enter. We believe that there is no single reason, and therefore a single solution is unlikely to succeed.

Our members believe that any fund should be complementary to the services and grants that are currently available, but should go a step further to attempt to reach those farmers who may not already be utilising or accessing the existing services (such as Farming Connect services). We wondered whether this could be incorporated into the Expression of Interest stage of the scheme to identify farmers who may fit into this category. These could then provide a focus for outreach.

Members are concerned that any fund should not be a “retirement fund” as such but rather a fund to encourage younger farmers to take on the land of the older farmers; working in collaboration with older farmers. This would benefit both parties adding value to property whilst allowing the younger generation to farm sustainably and this would also prevent the money being used in ways that are not compatible with the scheme’s intentions (for example as a holiday fund for the older generation).

We believe that this kind of structure would also allow the older generation to remain interested in the industry whilst not having to work so hard and being able to take a step back. If marketed in the right way, it would also allow those farmers without any family coming through to feel that they have safeguarded their farm for a future generation, even if not one with a family connection. They can also take an altruistic satisfaction from being able to help the younger generation to progress in the farming industry (there are already some good examples of farmers who fit this category and who are already providing this foothold into the industry to a younger person). To facilitate this, whilst grants are helpful, so too are tax breaks and provisions around inheritance tax, capital gains tax and income tax should all be considered.

3. Transition

Because of the current uncertainty it is very difficult to suggest a suitable transition period. These uncertainties severely impact on our ability as farm businesses to meaningfully business plan, and at the same time, it is challenging for farmers to make business decisions and investments when we are unclear on the future of our industry. As such, a longer transition period would be highly desirable as this allows decisions at a business level to be made based on the proposals in place. It allows farmers to decide how they can capitalise on the opportunities available and how their business may need to adapt. However, because of the cyclical nature of farming it is essential that sufficient time is allowed for these changes to take place.

Our members were attracted by the “co-design” concept. We are eager to be part of the future of our industry and believe that as farmers we know our businesses, the industry and the practical implications of changes that are proposed. We would welcome the opportunity to be a part of the co-design process.

In terms of the options outlined in the Consultation, Options A or B were preferred. Some members are concerned that it would be impossible to achieve equity between farmers if Option C were selected and this could lead to negative consequences. Equally, Options A & B both allow farmers to actively take control over their business’s direction and allows those most currently equipped to capitalise on the opportunities to enter the scheme whilst others can work to get their businesses ready over a longer period.

It seems clear that it will take years to reach a point of being able to implement the scheme effectively and trying to rush to proceed could have catastrophic consequences.

4. Advisory Support and Farm Sustainability Review

It is important that we are able to access support on relevant business elements. This is not solely environmental support but support on more efficient food production (as these will go hand in hand). Advisory support would be needed for new entrants coming into the industry in certain areas and should be readily available. It was also felt that practical (as well as general skills) training should still be available (such as that available under Farming Connect).

Members felt that support may be more effective if the support came from individuals not directly employed by the Welsh Government and are pleased to note this proposal. There is a need to build a relationship between the farmer and adviser (as there would be with any business adviser) if the advice is to have traction. We note that the punitive nature of investigations and inspections (such as those around Glastir) led to the punishment of some farmers and as such it will be difficult to build a positive relationship / confidence with those same personnel if they have a different remit.

Members were keen to highlight that any advisory support should be both relevant and necessary and should not be an entrance requirement if not fulfilling these categories. For example under the current Farming Connect scheme many have accessed advice on nutrient planning or soil sampling and will have existing relationships and/or developed their own expertise in these areas. We believe that it should be possible for this to continue or for funding to be available for the farmer’s own advisers to be used (subject to them meeting qualification/experience requirements). We believe that a Government-run

procurement exercise could exclude smaller (but not necessarily less skilled) advisers from being part of the exercise. Equally, certain farms may already employ or engage an agronomist or business adviser who would be fully able to provide the advice needed.

Equally, some farming families have educated and skilled people within their business who are more qualified in relevant areas than “advisers” and who are already able to interpret complex data and/or market intelligence. Therefore a system of allowing access to this information and allowing the farmer to decide independently how to access advice should be permissible.

We would be more comfortable with a directory of (non-exhaustive) approved advisers who would be the first option for many, but alongside this the ability to use own skills, existing advice or other options.

If the threshold for accessing funding is through a Farm Sustainability Review and a Farm Sustainability Plan, there is no obvious reason (subject to ability and knowledge) that a farmer could not prepare this him/herself should they wish to for it then to be approved by Welsh Government. Alternatively, the advisory service could review and provide supportive challenge before submission. It should not be a requirement that the advisory service is utilised for advice.

It is also vital that there is a consistent level of advice from one adviser to another within the service and that they evidence their own CPD.

In terms of monitoring delivery, members feel strongly that there should be the ability to carry out a self-review. There would need to be sufficient guidelines from the Welsh Government as to what this should look like, but there is no reason this has to be delivered by a staffed service. This would reduce the structure of staffing and this saving could be put to better use for Welsh farms. With the development of systems, including such as the Internet of Things, making use of these emerging technologies to aid reporting and monitoring would be a positive step forward. It is not clear that an on-farm inspection is the most effective way of reviewing the practice in place in all circumstances.

The nature of the review is also going to depend on the 'output' in terms of what is being monitored (eg. capital works are easier to review than many other outputs). Self-assessment style reviews should be the default wherever possible supported by a declaration.

5. Farming as a Business and in the wider community

We note in the consultation states that there has been limited evidence of farmers benefitting by adding value or developing their market share through capital investment in Welsh food businesses. However, it is noted that despite farmers

being key stakeholders in food production and land management, there is anecdotal evidence of a lack of active engagement with farmers by bodies dealing with publicly funded projects (such as NRW in relation to Area Statements and local Regional Development Partnerships).

Outreach is essential if there is a true appetite to effect change and a truly sustainable future for Welsh agriculture alongside a thriving farming and rural community. Members felt that it was extremely beneficial to meet with a representative of the Welsh Government to understand better the proposals. We would encourage and welcome further such engagement as well as less formal promotion of the scheme in the future. For example, certain Welsh Government projects attend existing business networks to meet with those attending. A similar comparison would be for Welsh Government representatives to attend markets to engage with farmers in their own environment.

6. Welsh Language

Wales YFC is a committed bilingual organisation, reflecting the higher than average across sectors number of Welsh speakers working in Agriculture in Wales. We are pleased to note that the Welsh Government recognises the need for sufficient, suitably skilled advisers able to deliver their services in Welsh. We believe that our comments under 4 above are relevant here.

Given the numbers of Welsh speakers employed within farming in Wales, a thriving sustainable food producing farming industry in Wales is essential for the future of the Welsh Language and culture.

7. Sustainable Food Production

Wales YFC members feel strongly that the secure production of safe, high quality food is a right that every member of Welsh society should be entitled to and without the guaranteed home-grown source, this cannot be assured. We wish to emphasise that food production remains central to our future as farmers. We note that whilst the proposals do not directly address food production, the outcomes are complementary of producing food from our land. However, we wish to emphasise that this must remain central to any proposals.