



Llywodraeth Cymru
Welsh Government

A scenic photograph of a Welsh landscape. In the foreground, a lush green field contains three sheep on the left and two cows on the right. A line of trees and a fence separate the field from the background. The background features rolling hills and mountains under a clear blue sky.

Brexit and our land:

Securing the future of Welsh farming

Change is coming

The United Kingdom (UK) exits the European Union (EU) in less than a year's time. There is significant uncertainty, but once we leave our access to markets and how we can successfully compete will change. This means we need to do things differently – this includes the way we support you.

The current Common Agriculture Policy (CAP) – especially the Basic Payment Scheme (BPS) – does not do enough to prepare for change. It is also not designed to realise the full value of Welsh land to the people of Wales.

This value extends to employment, to the rural economy, to the community and to our landscape. Welsh land and the people who manage it have a huge amount to offer.

For the first time we have the opportunity to design a unique Welsh policy. These are our proposals for a new Land Management Programme.

Principles for change

We have five principles for change.

Principle 1 – We need to keep land managers on the land.

Principle 2 – Food production is vital for our nation.

Principle 3 – We need to ensure our farming and forestry businesses can be prosperous and resilient, whatever the nature of Brexit.

Principle 4 – Future support will focus on delivering additional public goods from our land.

Principle 5 – Our new schemes should be accessible to all.





What we are proposing

We propose a new Land Management Programme in the place of CAP. It will consist of two large and flexible schemes to replace BPS, Glastir and other parts of the Rural Development Programme. The two schemes will be:

- Economic Resilience scheme – investment for economic activities, in particular food and timber production.

- Public Goods scheme – direct support for public goods delivery, in particular for the environment.

There are strong links between the schemes and they will operate in parallel. Many farmers will be able to benefit from both.

The Economic Resilience scheme

We will provide targeted investment for improvements in your business' resilience and productivity, especially for high-quality food production.

Farm and forestry businesses must be economically resilient if we are to deliver the widest range of environmental and societal outcomes.

Investment will be based on business justification, supporting both small scale changes and major investment into the supply chain.

We need to ensure investment, innovation and entrepreneurial skills are actively encouraged at all scales and stages of business development.

There is no reason why the same farmer cannot produce both food and public goods – the productivity of a farm is often linked to high-quality natural resources.

Key areas we will support:

Increasing market potential: It is more important than ever you consider the market opportunities for the products you produce. We will provide support to help you maintain existing markets and find new opportunities, both within the UK and internationally.

Improving productivity: Achieving more output from less inputs will be critical to be competitive and resilient in future markets. We will invest in businesses looking to reduce their cost of production and increase the value added to their primary produce along the supply chain. High animal health and welfare standards are a vital element of improving productivity.

Diversification: Land managers will need to strengthen their income streams through diversification. Options include a shift in what you produce or grow, the production of public goods or the development of opportunities outside of primary production such as renewable energy and tourism.

Effective risk management: Managing both commercial and operational risks are essential for the resilience of your business. We will encourage opportunities to reduce the financial consequences of these risks while also supporting you to build capacity to manage these risks at a business level.

Knowledge exchange, skills and innovation: Focusing on the use of the latest knowledge, skills development and innovation are some of the best ways to ensure that our farm businesses can continue to be competitive and productive. This will build on the success of the Farming Connect programme.



Public Goods scheme

We will provide a new income stream to land managers in return for delivering additional public goods from the land.

Public goods are those services from the land that we all need, but for which there is no functioning market. These are services that we all depend on now, but will become even more important for future generations.

It will be managed through bespoke, multi-year agreements with land managers – more flexible than Glastir.

There will be a range of potential options to suit all types of land managers.

Key areas we will support:

Reducing flood risk: As flood risk increases, it is important we reinstate landscape features that can slow water flow. You can reduce flood risk by planting trees, and restoring bogs and marshy grasslands on your land, which will reduce water flow and the risk to downstream communities.

Decarbonisation: Climate change will increasingly impact our weather patterns. We can expect more winter floods and summer droughts, which will impact water supplies to domestic homes and farm land. You can reduce the amount of carbon emitted from your land by restoring peat bogs and planting trees.

Habitat: Habitats in good condition will reduce flood risk, help decarbonisation and reduce the amount of water pollution and air pollution that are bad for our health. Depending on your farm, you can improve and create habitats by taking action such as removing invasive species, creating meadows or reintroducing cattle to under-grazed uplands. Improved habitats will also contribute to a more appealing landscape – so important for boosting our tourism industry.

Moving to new schemes

No changes will be made to the Basic Payment Scheme (BPS) 2018 or 2019. All current Glastir contracts will continue to be honoured. We will not withdraw funding from old schemes until new schemes are ready. From 2020, we will begin to move to the new schemes. This will include a phased reduction in BPS as new schemes are introduced. Our ambition is to have new schemes fully in place by 2025.

We know making these changes will not be easy but at every stage we will seek to minimise disruption and simplify the process.

As we change, farmers should take advantage of the advice available to them. It has never been more important to look at what is on offer from Farming Connect especially advice about business change. Alongside changes to the payments schemes, we will deliver improved advisory services. These services will enable land managers to fully utilise their skills and experience to get the most from new schemes.

What happens next?

Our proposals are subject to extensive consultation until 30 October 2018.

We will use the responses from this to develop more detailed plans for consultation in Spring 2019.

No changes to the existing BPS scheme will be made until further consultation has taken place.

How can I find out more?

We want to work with you to develop the best schemes possible for Wales. We encourage you to respond to our consultation which is available at the link below.

Welsh Government would also like to discuss these proposals in person and will be holding a programme of meetings across Wales over the coming months.

In addition, The Welsh Government and partners will have a presence at a number of events this summer and autumn. Please feel free to discuss or raise any questions you may have with our officers.

www.gov.wales/consultations

