

# **Environment and Rural Affairs Brexit Roundtable Land Use Working Group**

## **SWOT Analysis**

### **Introduction**

The Group were asked to identify what they felt where the risks and opportunities for land use when the UK leaves the EU and is no longer in receipt of support through the Common Agricultural Policy (CAP). These have been split into strengths, weaknesses, opportunities and threats as below.

### **Strengths**

- Agriculture is fully devolved to Wales
- Increased diversity so family farms are supported by more than one enterprise.
- The UK (and Wales) is the third largest timber importing country in the world, therefore scope for expansion.
- Tourism levels in Wales are below average so scope for expansion.

### **Weaknesses**

- There is no clear pattern in terms of the vulnerability of lowland and hill livestock producers (despite preconceptions held by some).
- Wales' most sparsely populated areas (populations of 2,000 or less) employ 10% primarily in agriculture.
- Current infrastructure can make expansion of tourism difficult as road links/broadband connectivity can be challenging in some parts of Wales.
- Current planning regulations can make diversification difficult.
- Uncertainty on the format of the Great Repeal Bill and implications on our ability to deliver functions.
- Weakening of legislation courtesy of reliance on Judicial Review and Supreme Court.
- Uncertainty on EU regulation programmed for introduction before the UK leaves the EU.

### **Opportunities**

- Better opportunities for younger farmers and new entrants to access land.
- Growth of domestic markets and/or displacement of imported products (particularly for beef and dairy).
- To act as a catalyst of innovation along the food supply chain.
- Better local supply chains
- Greater diversity of land use

- Regulations which are cheaper to deal with, and facilitate (rather than being an obstacle to) employment and wealth generation while also helping to protect the environment.
- Encourage farms and businesses which rely directly and indirectly on agriculture to assess financial risks to their businesses ahead of Brexit
- Ensure those further down the supply chain are prepared and as supportive as possible
- Creation of more financially viable supply chains for environmental goods produced by farmers such as timber and biomass.
- Greater integration and understanding between consumers and farmers/land managers.
- Integration of water and agriculture policy within the Welsh Government.
- Potential for programmes and plans to be more agile and innovative as a result of not having to engage with the EU as long as evidence can be provided that Wales still meets requirements for intra-UK/International trade and for any available funding to be prioritised at local level and targeted more effectively to drive action against Welsh priorities.
- Develop and enforce a regulatory framework which sets minimum land use standards
- Investigation on the use of Payment for Ecosystem Services schemes to help farms to adapt, diversify and develop new streams of income which enable them to continue to operate profitably and sustainably.
- Partnerships based on an evidence led and even-handed approach to regulation.
- Forging of a better relationship between Government and land managers
- Support of land use options that maximise resilience, particularly through increasing economic returns from the more marginal agricultural land without externalising environmental costs
- Support for planting trees that maximises usefulness on the farm, to soil and water and habitat connectivity.
- Development of support for habitat options that deliver value everywhere, such as that under the Glastir Small Grants Scheme.
- Place based approaches will work well where the outcomes relate to a specific land based intervention.
- Involve rural communities in investments in forest creation by making better use of loans and guarantees, bonds and equities and explore consolidated futures contracts for timber with annualised income streams.
- Opportunity to re-look at cross compliance measures particularly in relation to the tree felling rules which penalise those who actively manage their woodlands.
- More trees and woodlands in the Welsh landscape
- Opportunity to develop a simple scheme based on support for habitat options that deliver value everywhere.
- Controlled re-wilding could have some beneficial impacts in terms of biodiversity.

- A reduction in movement of heavy farm vehicles may help to slow down the deterioration of the highway network.
- Some farming practices have had a negative impact on water quality and water run-off/flood risk so a reduction in some activities may be beneficial in this respect.
- A reduction in livestock would mean a reduction in methane emissions improving air quality and climate change.
- Greater devolution of powers and funding to a more localised level with active input from local authorities and other local stakeholders.
- More flexibility in how EC standards are achieved.
- Opportunity to build 'Brand Wales' based on unique legislation to future proof land management, marine support, funding systems.
- Lead the development of the narrative/vision that is missing and influence the way forward whilst reducing uncertainty.
- Negotiation and more flexible procurement procedures and the incorporation of evaluation criteria for public procurement including the concept of public good and well being objectives.

## **Threats**

- Damage or desolation of those sectors which are least profitable, most reliant on exports, most vulnerable to cheap imports and most reliant on farm support.
- Rural unemployment and poverty
- Rural depopulation
- Land abandonment in areas where species and habitats are reliant on farming (e.g. grazing animals being removed from heath, moorland etc.)
- Land devaluation jeopardising financial stability of even the strongest businesses
- Ranch farming
- Adverse impact on culture
- Displacement of local farming families by outside bodies
- Inappropriate intensification as businesses attempt to ensure incomes do not fall.
- Loss of current controls (exerted through GAEC and SMRs) over land managers.
- Planting of trees in inappropriate areas such as on upland heath or fertile lowlands land.
- Reduction in forest management with job losses in managing and harvesting wood products to supply onto the wood processing sector.
- Loss of access to EU markets, reductions in farm income from grant support and potential restrictions on movement of migrant (seasonal) labour could undermine farm business viability.
- Appearance on untended land could impact on the ability to attract tourists, with consequent impact on tourism and hospitality businesses.
- Loss of farming activity could lead to a downward spiral in the local economy and depopulation, this would increase the cost per head of

local authority service provision and makes it harder to sustain services, leading to further depopulation.

- Farmland could be redeveloped for housing and this would give an increase in the demand for current service provision with demands being placed on infrastructure.
- Lack of control of invasive species which could reduce biodiversity and resilience.
- Overgrown hedges and verges would lead to road safety hazards and put more pressure on council services.
- Lack of tree maintenance could lead to dangerous situations with overhanging branches and the risk of tree falls in severe weather events.
- Negative feedback loop developing whereby deterioration of the environment causes further environmental damage e.g. lack of maintenance of watercourses resulting in increased flooding which, in turn, leads to soil erosion and reduces the prospects for any return to use of the land in future.
- Reduced management of the land could mean that plant/tree diseases are not spotted early enough and become more widespread.
- Any targeting of funding needed to be carefully considered, targeting of certain areas may mean higher environmental risks on the non targeted areas. Targeting productive areas could negatively impact those in the uplands.
- Primary focus on profitability and cost cutting could lead to large scale agricultural land management changes with associated risks in terms of wider social and environmental benefits.
- Less labour available to undertake proactive management activities.
- Further expansion and concentration of the dairy and poultry industry within areas already exhibiting impacts on environmental receptors such as soils, air, lakes and estuaries.
- Limited investment in support mechanisms such as advisory services risk a potential lack of continuity in vision and strategy.
- Trying to replace like with like without really understanding the root causes and treating the symptoms rather than preventing the causes.
- Less support for science, technology and innovation.
- Reduced funding for Wales based on changed Barnett Formula and a risk of securing funding equivalent to the funding budget which is allocated under current EU programmes for the land use sector.
- Risk of farm business viability if no appropriate transition period from the current support levels.
- Risk other Welsh Government budget areas use any funding received from the UK treasury.
- Changes to UK law following the Great Repeal Bill may impact Welsh devolved competencies on regulation
- Regulatory divergence between ourselves and the EU that will continue to be our main market, limiting our ability to sell into this market.
- Loss of Emissions Ceiling Directive and other air pollution directives could undermine delivery of cleaner air and climate change policy.