



NATIONAL PARKS WALES
Britain's breathing spaces

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National Parks Wales' response to the CAP Conversation

National Parks Wales is grateful for the opportunity to respond to the CAP Conversation. The three National Park Authorities (NPAs) in Wales work in partnership as National Parks Wales to collectively respond to policy issues affecting all of Wales' National Parks. This response has been informed by Officers with experience of rural development within protected landscapes.

We welcome the opportunity to work with the Welsh Government and other stakeholders on the proposals to reform the CAP. Farming contributes to the special qualities of National Parks and CAP reform has the potential to significantly affect them, either through the direct impact of changes to support payments and associated regulations, or through changes to the various Rural Development Schemes.

At this stage too little is known or decided and the complexity too great to be able to quantify with any degree of certainty potential impacts on National Parks or to try and provide answers to the Welsh Government. We would welcome the opportunity for a more detailed dialogue once more information, evidence and regulations are available; and options are proposed for further consideration.

Some of the comments are directly related to potential impacts on the special qualities of National Parks, whilst others are more general observations on potential implications for farm businesses.

Of particular concern:



BRECON BEACONS
NATIONAL PARK



Parc Cenedlaethol
Arfordir Penfro
Pembrokeshire Coast
National Park



SNOWDONIA
NATIONAL PARK

Parciau Cenedlaethol Bannau Brycheiniog, Arfordir Penfro ac Eryri yn gweithio mewn partneriaeth
Brecon Beacons, Pembrokeshire Coast, and Snowdonia National Parks. Working in Partnership.

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- The potential impact on funding for agri-environment schemes with the loss of voluntary modulation; the UK has traditionally received a poor deal from Pillar 2
- The impact of the change from historic to area based payments, in particular:
 - How might the payment regions and boundaries be set and how might this impact on payment rates for more marginal land, for example commons, uplands and moorland?
 - The impact on sustainable grazing systems, particularly utilising cattle, on land with significant environmental value
 - How might entitlements on commons and moorland be allocated
- The relationship between cross-compliance, “greening” and agri-environment measure. We believe that this requires further investigation.
- The proposed greening measures may not deliver significant environmental benefits
- How the proposals for *Areas of Natural Constraint* and *Areas of Special Constraint* relate to National Parks. We understand that the Welsh Uplands Forum may be examining this issue and it may be an appropriate time for further involvement from the National Park Authorities.

On a more technical note and less related to National Park purposes but deriving from observations of practices on the ground, we have the following concerns:

- that there may be a risk to both the Welsh Government and to Welsh Farmers from the way that land tenure agreements are used, particularly tenancies and grazing licenses, and how this may determine “land at your disposal” following the Landkreis Bad Durkheim vs Aufsichts-und Dienstleistungsdirektion legal case.
- The lack of clarity as to how entitlements may be secured
- The lack of clarity on likely timescale of consultation process and implementation (will 1st year of scheme be 2014, 2015 or 2016)
- The impact on cross-border farms

Q1 - What do you think about the Commissions proposed reference year being 2011?

Consideration may need to be given to impact and how regulations may be amended to alleviate the impact on:

- new entrants (particularly those who may be over 40)
- farming businesses going through reasonable farming changes that may change the legal entity of a business (e.g. partnership changes, divorce and inheritance), particularly if the start of a scheme is delayed for one or two years. That may impact on a significant number of farm businesses over a 4 or 5 year period.



Q2 - What safeguards might be considered to avoid potential "land banking" before 2014?

It would be helpful to have this potential issue defined and its context set within the conversation document in order to ascertain its impact and recommend safeguards.

Q3 - What are your views on the payment type; would you prefer uniform rates or differentiated payment rates, and can you give your reasons for this?

More research is required by the Welsh Government on the potential impact of moving to different types of payment rate on farming systems within Welsh National Parks, particularly those associated with land with higher environmental value. This might include an evaluation of what types of farm may typically be located within different zones that may be suggested and how their payment rates may change. Lessons may be learnt from the English transfer to area based payments and the model of different payments rates for different regions.

Of particular concern is the potential impact upon cattle systems as these typically received higher rates of support payment. Sustainable grazing systems, that may incorporate larger animals, are vital to maintaining large areas of land with significant environmental value. One of the significant losers in England, with the shift to area payments, were cattle farmers within disadvantaged or severely disadvantaged areas. Depending on how the payment rates are calculated will influence the relative importance of including measures elsewhere to supporting sustainable grazing regimes on land with high environmental quality.

Suggestions have been made by various parties as to the potential to separate "moorland", "commons" or other marginal land as a payment area. If this or something similar is being considered by the Welsh Government then we would welcome dialogue as such areas are associated with a significant proportion of the "Special Qualities" of the Welsh National Parks (particularly within the two upland parks the Brecon Beacons and Snowdonia National Parks).

Q4 - If a transition period of 7 years is secured what reason(s) would you advance to support differentiated payments that might mean receipts are released later in the 1 December- 30 June payment window than is currently the case?

More research and information is required on impact of adopting differentiated payment rates on farming systems within National Parks to be able to comment further.

Q5 - What are your views on the initial 40 per cent area based payment in year one (2014) of transitional arrangement?

As noted in responses to previous questions, more information is required to be able to comment in detail.



Q6 - What reason(s) would you advance for a lower starting point and what would you propose as an alternative stepped change on the area payment to achieve 100 per cent in 2019?

As noted in responses to previous questions, more information is required to be able to comment in detail. However, it is worth noting that Welsh farms have already had several years to adapt when compared to their English counter-parts and these reforms may take several more years to implement, in which time they have had significant flexibility on how farms could be managed to remain capable of receiving payment support.

Q7 - What are your views on the capping proposals. Why would you support or oppose?

Capping may well have unintended consequences that may need to be researched and considered further.

Q8 - What are your views on the current greening proposals?

There are significant concerns as to whether the current greening proposals will deliver significant environmental benefits; their impact upon the commercial viability or practicality of farming enterprises and their appropriateness for Welsh farming systems.

Once more regulations and details are known National Parks Wales would welcome an ongoing dialogue.

Examples of concerns include the following:

- crop rotation – is this feasible, particularly on upland farms; there can be environmental benefits of growing a small area of cereals in an otherwise pastoral system that this may result in further decline. Arable area payments traditionally had a threshold area below which a farmer did not have to incorporate any land as set-aside, and a similar approach may be appropriate.
- permanent grassland
 - There may be limited if any environmental value of maintaining many grasslands that are improved but happen to have been more than 5 years as grass, particularly if they have been ploughed and reseeded within that time; the emphasis should be on maintaining grasslands with higher environmental value, such as unimproved meadow and semi-natural grassland.
 - It is not clear what will be counted as permanent grassland
 - There may be the unintended consequence of farmers ploughing grassland to prevent them being classified as permanent
 - In lowland Wales, grasslands have a potentially significant role to play in relation to climate change. Options can be identified through carbon audits and consideration of other management measures. For example, semi-natural grasslands can contribute to carbon sequestration; improved



grasslands can be managed to reduce Nitrous Oxide emissions associated with the use of artificial fertilizers.

- How will ecological focus areas work in practice? In particular what will be the relationship between cross-compliance and Glastir (both the Targeted and All-Wales elements).
- Other land managed for environmental outcomes should be considered for full or partial exemption in the same way as organic (e.g. land within Glastir, SSSI land subject to a S15 agreement or even land managed in a particular way that delivers environmental benefits but not part of a formal scheme); how will common land be treated?

Q9 - What flexibility is needed to ensure greening proposals do not affect food production whilst protecting the environment?

Whilst the importance of maintaining food production and also the potential for increasing future capacity is recognised, it should be noted that land management has always been required to deliver a broad range of outcomes other than food production and the Welsh Government should take a balanced approach.

Q10 - What would you propose as an alternative to the EC's proposals?

There are so many unknowns and the EC proposals are very complex. It is therefore unrealistic for National Parks, with their limited research capacity, to provide alternative proposals. However, we would welcome dialogue once potential alternatives have been formulated.

We suggest that CCW with their experience of designing and then implementing previous agri-environment schemes may be able to provide a key role in considering alternatives that may be able to provide increased public benefit (including environmental) whilst at the same time causing less disruption to commercial farming operations. Agricultural colleges/universities and research institutions may also have a part to play.

Q11 - What reasons would you suggest to extend priority beyond young farmers?

Other "new entrants" may need to be considered who have started farming since 2011, particularly those who may be currently just below the 40 year age barrier but may be above this once the scheme is implemented. This may be several years into the future. Marginal land may not be farmed in the scheme's 1st year, but there may be environmental benefits in allocating entitlements after the 1st year of the scheme to enable this land to be brought back into a sustainable farming regime.

It should be noted that "new entrants" and "young farmers" are not necessarily the same.



Q12 - What are your views on the proposals to introduce a Small Farmers Scheme? Are there any additional flexibilities you would wish to see around this proposal?

There are concerns that small holdings could be responsible for environmental degradation and they should therefore be bound by the same cross-compliance regulations as larger farms. However, it is not known how relevant this element may be within a UK and Welsh context.

There appears to be a series of anomalies within the draft proposals that should be set against practical issues associated with implementing agricultural support schemes. On one hand there seems to be support for small farming units (and in this case micro-level or hobby farming scale enterprises), however a disproportionate amount of Welsh Government effort may be spent managing claims from very small holdings, such as pony paddocks.

Q13 - What are your views on a National Envelope scheme being used to support the sectors who are losing out in the change to area payments.

The initial view from Welsh Government is that coupled payments may be usefully deployed to support the intensive beef and dairy sectors. However, we suggest that there may be more public and environmental benefit in supporting relatively extensive grazing systems, particularly with large animals, on grasslands that require this to maintain or improve their environmental condition.

Q14 - If we assume that the funding available to Wales was set at 5 per cent of the Wales financial ceiling, how might this be deployed?

National Envelope should be considered for securing or safeguarding significant public benefit and for which there is no reasonable alternative. This might include ensuring that the most marginal land remains in sustainable agricultural management, for example cattle grazing on marginally productive land.

Q15 - On what grounds would you support/oppose the ability to move EC funding as has been proposed?

There are concerns that with the loss of voluntary modulation there may not be sufficient budget available to fund the existing level of RDP schemes, particularly agri-environment, and the public benefits that accrue from them. We would welcome a dialogue and an update on the potential implications of CAP reform on the various RDP schemes.

Q16 - What do you think is a suitable definition for an active farmer?

We have concerns that the current proposed definition of "active farmer" may have unintended consequences, for example sustainable farming management undertaken by environmental bodies may become ineligible for support.



Q17 - Would you support a definition that links directly to active production and management of the land?

We would welcome dialogue on alternative proposals that may be suggested by the Welsh Government. There is an argument that linking payments to those who actually undertake production or the management of the land is more likely to result in public benefits (for example retaining the vitality of rural communities, directing payments to younger farmers and workers able to undertake the physical element of the work and linking in to the maintenance of local agricultural production systems).

Q18 - What are your views on the proposal for an additional payment to be made under Pillar 1 in areas with Natural Constraints?

We would welcome a dialogue on possible proposals for how payments for areas with Natural Constraints may work as there may be a direct link to National Park purposes. For example by helping to ensure that marginal land, that may have additional environmental value, continues to be farmed and sustainably managed.

Q19 - Do the rural development measures in the proposals provide sufficient scope to address Wales priorities as you see them?

The Rural Development Programme is a significant mechanism for the Welsh Government to deliver against National Park purposes. Due to the complexity of the regulations we would welcome a more detailed dialogue on how these reforms could be implemented.

It may be more appropriate to prioritise the maximisation of public benefits that may accrue out of this investment rather than attempting to mitigate the impacts of migrating from a historic to an area based scheme.

Q20 - Do you have any suggestions for activities or measures which should be included in a future rural development programme?

More detail is required to be able to comment further, however we would welcome a dialogue on how proposals may relate to National Parks.

Q21 - Due to the distribution of payments following the change from historic to area based payments are there any mitigating measures we could develop under the successor RDP?

More research and information on how these reforms may impact upon farming and land management systems within National Parks is required (as suggested previously), including on uplands, commons, moorlands and marginally productive land.

Q28 - What do we need to do to make the agricultural industry in Wales profitable?

See recommendations of the 2020 report

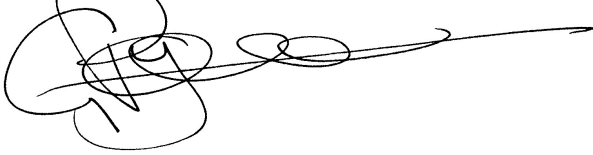


Q29 - What should the agricultural industry in Wales look like in the future?

See recommendations of the 2020 report

If you have any questions, please do not hesitate to contact me in the first instance.

Yours sincerely



Greg Pycroft

