



Welsh Government

Sustainable Farming and Our Land

Consultation Response:

**Submission from the Agriculture and Horticulture Development Board
(AHDB)**

30 October 2019

Introduction - AHDB

AHDB's purpose is to inspire our farmers, growers and industry to succeed in a rapidly changing world. We are the independent go-to source of trustworthy information and evidence-based research. We equip the primary food production industry with easy-to-use, practical know-how and market insight which farmers and processors can apply straight away to make better decisions and improve their performance.

We are at a defining time for Welsh agriculture and horticulture. Technological change, as well as consumer demands, will inevitably change what it means to be a food producer. [Brexit will bring new opportunities and major challenges as the industry transitions to a world post-CAP.](#) Leaving the environment in a better state than we inherited it, while playing a bigger role in sustainably feeding the nation is a massive opportunity for us all, and AHDB has a vital role acting as a catalyst for success. Working alongside other delivery partners in Wales, our independent and evidence-based approach provides critical insight and information in these unprecedented times.

AHDB's consultation response

1. **Introduction**

AHDB welcomes the opportunity to respond to Welsh Government's consultation on farming and land management policy after Brexit. We previously responded to the 2018 consultation on Brexit and Our Land. In order to facilitate consistent analysis our response follows the nine questions that frame the consultation.

Our main interest and concern in relation to the proposals relates to the delivery of advice as part of the new Sustainable Farming Scheme. We would welcome a specific discussion with Welsh Government about how these proposals might work in practice about the role that AHDB and indeed Hybu Cig Cymru/Meat Promotion Wales (HCC) could/should play in relation to advice and knowledge transfer under the new framework.

2. **Question 1: Sustainable Land Management**

The consultation lays out a comprehensive framework of benefits, outcomes and actions. On the one hand this could give flexibility to farmers and land managers but is also very complex. The acid test for the concept is how it translates into practice via the Sustainable Farming Scheme (Q2). Measuring outcomes in some instances will be extremely challenging. It's good to see the consultation take account of actions and inputs which are in farmers' control as a proxy for demonstrating they are doing what they can to deliver. A narrow focus on environmental outcomes might miss wider societal benefits that are not rewarded by the market place such as higher animal welfare standards/outcomes, public access etc.

3. **Question 2: Sustainable Farming Scheme (SFS)**

This aspect of the consultation will be of most relevance to farmers, growers and stakeholders. Our observations are:

- The way that the Farm Sustainability Review is delivered is critical. While it could support optimum targeting of farm-specific programmes, there is a real risk of high costs/barriers to entry for some producers and what some in the industry refer to as a 'consultants charter' in the advisor-led approach
- Economic resilience will be vital to achieving long-term benefits in terms of sustainability. The policy should seek to support producers in adopting the characteristics of top performing farms, highlighted in our [Horizon report: Preparing for Change; The Characteristics of top performing Farms](#)
- There is merit in devising a simple list of actions and payment rates. To maximise adoption any scheme needs to be simple for farmers to understand and access. The scheme should particularly target those measures or interventions that are known to achieve 'win-wins' in terms of productivity and environmental outcomes such as active nutrient management or animal health plans. It may be sensible to adopt variable rates for different types of intervention based on the potential 'quality' of outcome that they deliver.
- In relation to business capacity and skills, the proposal could help to underpin mindset change amongst producers by incentivising benchmarking using simple, standardised KPIs. AHDB is working on developing KPIs for the dairy sector as part of the evolution of [Farmbench](#) and keen to discuss this further with Welsh Government
- AHDB's new strategy envisages us playing more of a role in supporting farmers and growers in adapting to the new policy frameworks across GB. This includes developing tools that could support producers. We are willing to work closely with Welsh Government, HCC and Farming Connect to help develop appropriate tools for producers in Wales
- This section makes reference to knowledge transfer, joining up the innovation system in Wales, adoption of improved techniques, better livestock genetics and so on. These areas are all central to AHDB's role in relation to levy paying sectors (especially dairy) in Wales.

4. **Question 3: Advisory service**

Chapter 5 of the consultation on the creation of a new advisory service in Wales has a significant bearing on the work of AHDB in Wales. The timing is right to fundamentally review delivery and advice

channels in order to best support the industry in adapting to the new policy environment and delivering the new SFS. But we are concerned that the consultation may reach the wrong conclusion about how best this should be achieved. On the assumption that even half of the current 35,000 holdings in Wales seek to make an application under the scheme this amounts to c.17,000 applicants. The sheer number of advisers, combined with skills and expertise needed to support individual farms and their circumstances, would be vast if each farm applicant is to develop a bespoke Farm Sustainability Review. Inconsistency in messaging across such a large advisory service, on the availability of funding for example, is also likely to be a challenge.

Farmers will definitely need significant support and guidance as the Welsh farming industry restructures and refocuses in the wake of significant changes to support and it is reassuring that this is fully recognised by Welsh Government. It is unclear from the consultation what scope the new advisory service would fulfil and the scale of advice, relative to say the current offer of Farming Connect. A narrow scope based around the Farm Sustainability Review may have some merit but clearly any extension into areas of business performance and technical know-how not only impinges on the role of AHDB & HCC but also the private sector in terms of one to one support.

The judgement may ultimately be based on market provision/failure as well as ability to resource the ambitions effectively. We would argue that there is a strong case for a strategic discussion with AHDB & HCC about the role that we could play in co-ordinating the new advisory service. The benefits of this approach would be:

- Our track record of delivery in Wales through levy funded activity and collaboration with Welsh Government through the Dairy Improvement Programme & Strategic dairy farm network
- Our networks with advisers and other practitioners in the private sector including ability to sub-contract specialist work
- Our ability to assimilate peer-reviewed best practise to support optimal decisions on farm
- Proximity to the industry and trust amongst producers
- Business resilience and skills are likely to be an integral part of our new strategy
- Our independence from government (in the case of AHDB), representative bodies and commercial interests
- Ability to scale-up based on existing infrastructure

Under any circumstances there would be a need for extremely close collaboration between AHDB, HCC and any new advisory service to avoid duplication, make the most of combined expertise and reduce the risks of a fragmented, confused offer to farmers, many of who want to single 'go-to' point of access for advice. AHDB would urge a more strategic discussion with HCC and Welsh Government on this matter.

5. **Question 4: Industry and supply chain**

Chapter 6 covers a wide variety of themes some of which directly impinge on our role as a delivery body in Wales (namely Priorities B and D covering market alignment and knowledge transfer).

It's unclear specifically what is meant by the ideas set out in paragraph 6.18. AHDB and HCC already equip our producers with independent market intelligence and consumer insight to help them make informed business decisions. Ultimately producers, especially in the dairy and meat sectors, sit at the end of the extended supply chains in which market signals are communicated by producers. The greater the level and transparency of information, the better able producers are to make informed decisions. We see this already as being fundamental to our role and the real question for Welsh Government is whether the provisions conferred to Welsh Government in the Agriculture Bill could improve the level of transparency without unduly compromising commercial confidentiality.

In terms of knowledge transfer, Welsh Government has diagnosed the right problem in terms of the levels of disconnect between innovation, best practice and uptake on farm. Levy Boards are a significant part of the solution given the role that we already play in harnessing innovation and seeking to disseminate via various channels (for example, via our strategic farm network). Reducing fragmentation of effort will be vital to achieving an effective pathway. It is also vital that innovation solutions are relevant to the situation faced by farmers in Wales. Nonetheless, an ability to harness

innovation and best practice from across the UK as well as overseas will be vital to long-term success. This is one area where we would encourage Welsh Government to think broader than Wales. AHDB is positioning itself as the knowledge exchange partner for the Agritech Innovation Centres and other major universities and research institutes focussed on agriculture and horticulture. We are well placed to support Welsh Government and industry in this regard.

We believe that it's important to maintain and build on the co-operation between levy bodies across GB to maximise market opportunities for Welsh food and drink overseas. It is important that work on the Welsh 'brand' is driven by high quality insight. AHDB has invested significantly in our consumer and overseas market insight capability and is willing to work closely with Welsh Government and HCC to harness this in shaping the future food strategy for Welsh food and drink. For example, our [Horizon report: International Consumer Buying Behaviour](#) looks at exporting from a consumer perspective, highlighting the need for the industry to closely monitor and adapt to international consumer needs to grow export markets. It considers the impact of 'British' branding in export markets, looking at some of the opportunities and challenges this holds.

6. **Question 5: Regulatory Framework**

No comment on this question.

7. **Question 6: Transition and funding**

Our main observation on this section would be that any transition to a new policy environment could be seismic for certain segments of Welsh agriculture. The existing dependency on direct payments amongst many farmers and growers means that any significant change in the nature of how support is offered (public goods) and the funding available, will precipitate restructuring of the industry. AHDB stands ready to work with Welsh Government in supporting dairy, arable and potato growers through this change and to work closely with HCC in sharing experience of any work we will do with the beef and sheep sectors in England.

It may also be appropriate to provide some degree of mental health support during a time of significant change.

8. **Question 7: Analytical approach**

We have already worked closely with Welsh government on analysis we have published on the [impacts of different Brexit scenarios on farmers and growers](#). We would be delighted to maintain this co-ordination and support through the provision of analysis that helps farmers and growers make informed business decisions.

9. **Question 8: Welsh language**

We are not aware of any issues generated by this consultation other than the sheer scale of changes will reinforce the need for high quality, bilingual advice to farmers and growers.

10. **Question 9: Other comments**

No comment.

11. Any queries relating to this submission should, in the first instance, be directed to Andy Hutson, AHDB Public Affairs Manager, Agriculture and Horticulture Development Board, Stoneleigh Park, Kenilworth, Warwickshire CV8 2TL. T: 024 7647 8822 E: andy.hutson@ahdb.org.uk