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Environment and Sustainability Committee
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Dear Mr Davidson

Re: The National Assembly for Wales' Environment and Sustainability Committee inquiry into Sustainable Land Management

Thank you for the opportunity to respond to the above consultation.

Hybu Cig Cymru - Meat Promotion Wales (HCC) is the industry-led organisation responsible for the development, promotion and marketing of Welsh red meat. HCC's stakeholder representatives implement, on behalf of all Welsh farmers and other key industry participants, a strategic plan to develop profitable and sustainable markets for Welsh red meat to derive benefit for all in the supply-chain.

It is because of the custodial efforts of livestock farmers that Wales has such a diverse rural environment that is rich in wildlife, is visitor-friendly and offers a network of protected areas that is carefully managed by responsible grazing. The total value of the sector to the Welsh economy, taking into account the agricultural, processing and retail sectors, is estimated by HCC to be more than £1 billion per annum. Welsh livestock farmers also underpin the visitor economy, which supports 172,000 jobs and contributes £6.2 bn in Gross Domestic Product.

The Welsh Red Meat Roadmap which was developed by HCC in 2011 highlights that Sustainable Land Management is an everyday consideration for our stakeholders and it is important that in considering this subject, account is taken of the importance of improving the opportunities for farmers, landowners and the general public to live and work in a sustainable environment.

With regard to the general questions raised HCC gives the following responses.

What do we want sustainable land management in Wales to look like and what outcomes do we want to deliver in the short, medium and longer term?

Defining success criteria is challenging. However, from HCC's perspective it would like to see the maintenance and enhancement of a sustainable but productive landscape that enables farmers to be profitable while providing safe and healthy food. Co-operation is required across all sectors to achieve the end goal of a sustainable industry within a sustainable environment. HCC would like to see more information on how the Welsh Government's plans for natural resource management within the land management sector will create opportunities and enhance sustainable development.

It is important that land use planning is complimentary to environmental management planning and it is likely that this should be delivered more effectively by Natural Resources Wales as a single body if the new single organisation is managed effectively. Through an ecosystem approach HCC would expect that due consideration is made to all planning requests and the business needs are given equal importance to the environmental needs.

What are the barriers preventing us from delivering these outcomes now?

The Welsh Red Meat Roadmap, published by HCC in 2011, identifies criteria that will move the industry in a more sustainable direction and goes on to suggest how these criteria can be achieved and monitored. The roadmap considers challenges such as the industry's approach to greenhouse gasses, carbon footprint, water quality and use, biodiversity, countryside management and carbon conservation and sequestration and their solutions. The roadmap cautions additional drivers are likely to impact on environmental policies including disease threats (e.g. bovine TB), the ageing farming population, land prices and the CAP Reform review. Research suggests that agricultural operations currently contribute towards Wales' total greenhouse gas emissions although it is very difficult to accurately quantify as measuring greenhouse gas emissions at farm level is far from an exact science. Carbon footprinting tools are available and will be highly valuable for assessing emissions on the farm but they are not able to take into account certain variations.

How do we overcome these challenges?

As highlighted in the Welsh Red Meat Roadmap, immediate opportunities for improving sustainability on farm include clever manipulation of ruminant diets, genetic improvement of livestock, breeding for the marketplace, grassland and forage management and control of waste. It is simplistic to believe that falling livestock numbers in Wales could in any way be a positive for reducing climate change impacts. Increasing demand for quality red meat products, particularly from emerging countries, will be met by displaced, and possibly less sustainable production, whilst having an extremely adverse effect on the economy of Wales.

The upland soils of Wales are recognised as being important carbon sinks and their continued management in a sensitive manner by farmers, combining biodiversity and production outputs, is essential to conserving and increasing carbon stocks. Welsh farmers will need to further respond positively to the challenges and opportunities offered by the declining availability of valuable resources, such as water, oil and phosphorus. On farm, renewable energies are becoming increasingly attractive to farmers in Wales as a means of improving sustainability on-farm however, this is often not achievable due to poor infrastructure and planning constraints.

Reducing the levels of food waste in the red meat supply chain is an area on which HCC is focusing on through its recent initiative on *Extending the Shelf-Life of PGI Welsh Lamb*. More widely reducing food waste in the home is an area which requires further consumer encouragement and retailers and other industry organisations can contribute towards educating and informing consumers. HCC is collecting and analysing data to calculate farm carbon footprints to provide farmers with the most accurate tools available to offer accurate benchmarking, a snapshot assessment of

greenhouse gas emissions and provide a set of reliable standards for sustainability. As referred to previously, through an ecosystem approach HCC would expect that due consideration is made to all planning requests and the business needs are given equal importance to the environmental needs.

In addition to addressing climate change by reducing greenhouse gas emissions other issues, such as water quality and use, biodiversity and countryside management are of key importance. Agriculture plays a strong part in carbon conservation and sequestration. Apart from reducing greenhouse gas emissions, the entire red meat supply chain is positioned to improve on areas such as reducing water and energy usage through targeted audits and planning, preventing water and air pollution by addressing areas where potential incidents may arise, enhancing biodiversity through maintenance and improvements to habitats and reducing impacts on these habitats, and enhancing the Welsh countryside and limiting negative impacts to important ecological and aesthetic areas.

Farmers are not alone in adapting to the changes needed. Organisations within the natural environment land management sector can deliver production and cost benefits, as well as biodiversity and environmental gains, by working in partnership with producers.

What are the main policy drivers and how can these be shaped to overcome these challenges?

Reform of the Common Agriculture Policy will be a key policy driver in terms of Sustainable Land Management in Wales to 2020 and beyond. The CAP includes the aim of viable food production to guarantee long term food security for EU citizens and to contribute to growing world food demand alongside sustainable management of natural resources and climate action. Alongside these aims the key challenges for sustainable food production in Wales include increases in fuel, energy and other input costs. Also, responding to political and environmental change, adapting to changing market conditions, embracing innovation and adopting technical best practice, and improving overall business management. Although increases in market prices in recent years will have increased confidence in the long term sustainability of the Welsh red meat industry, these are driven by a shortening of UK, European and worldwide supplies of red meat. At the core, profitability remains the biggest challenge and there is a need to improve the overall confidence in the industry and encourage future investment.

Structural funds, including the Rural Development Plan for Wales 2014 – 2020, will be key vehicles in assisting the continued development of the red meat industry subject to a focus on improving efficiency, reducing resource use, enhancing animal health and welfare, and developing the business by targeting improved efficiency and profitability thereby contributing to a sustainable future.

The Welsh Red Meat Roadmap addresses the declining availability of resources and the potential impact on Welsh agriculture. In the not-so-distant future, Welsh farmers will need to respond to the challenges and opportunities offered by the declining availability of valuable resources, such as oil and phosphorus. It will be essential for individual farmers to review their activities to see where savings and improved efficiencies can be made.

Water quality and usage is another key driver. The Water Framework Directive exists to manage the water environment. Natural Resources Wales has produced River Basin Management Plans (RBMPs) which set out objectives for water bodies within each river basin and how they are to be achieved at each of the River Basin Districts (RBDs) in Wales.

In terms of sustainable land management in Wales, the Welsh Red Meat Roadmap identifies an important resource in terms of carbon conservation and sequestration. The upland soils of Wales are recognised as being important carbon sinks and their continued management in a sensitive manner, combining biodiversity and production outputs, will be essential to conserving and increasing carbon stocks. Habitats of Principle Importance (i.e. Section 42 Habitats) including heathland, acid grassland, bogs, fen and ancient woodland are of particular importance, alongside permanent grassland pastures and forestry plantations. Extensive grazing is vital to restore peat based Section 42 Habitats to a state where they are active and sequestering atmospheric carbon, rather than releasing carbon to the atmosphere and losing peat as sediment into rivers and streams. Likewise, appropriate grazing of open areas within forestry, which could become over rank, will reduce the risk of unintentional fires and the resultant release of atmospheric carbon. There is still considerable discrepancy between figures estimating how much carbon is being released or trapped by the complex processes by which carbon is exchanged between the land and atmosphere.

In doing so, we wish in particular (though not exclusively) to gather your views on:

How we define the key ecosystems and ecosystem services in a way that makes sense for Wales?

How do we develop a baseline from which to measure progress? This includes how we collect, coordinate and use data to support sustainable land management in Wales.

HCC has previously welcomed the aims of the Welsh Government document *A Living Wales – a New Framework for our Environment, our Countryside and our Seas*. HCC considers that by assessing the issue from a more holistic and broader view it is likely to result in an outcome that is healthier for the whole ecosystem. The document considered developing the concept of local resource management planning for natural resources to provide a simpler approach for stakeholders. HCC considers managing natural resources locally to be a much more practical system that allows local issues to be considered in a fair and appropriate manner. The original aim to simplify current systems was also welcomed by HCC to make it easier for stakeholders to ensure that natural resources are protected while they continue to carry out their business operations. The document also considered streamlining regulatory regimes to achieve better outcomes for the environment and simpler systems for people. HCC welcomed the simplification of systems which is likely to improve the desire by all parties to work together to the benefit of our natural resources.

HCC considers that Natural Resources Wales is in a strong position to collect, coordinate and use data to support sustainable land management in Wales with input from stakeholders including industry organisations.

Collecting, coordinating and using data to support sustainable land management in Wales, including developing interactive geographical information systems to make information more accessible and engage people more widely, is considered by HCC to be a key consideration.

What incentives can we provide land managers to develop sustainable practices, and in particular, any new sources of investment we can attract to support these?

Reform of the Common Agricultural Policy (CAP) has been characterised by the 'greening' agenda which, along with a reduction in the overall budget, has driven much of the discussions and negotiations now reaching an advanced stage for the new policy for the period 2014 - 2020.

The European Commission recognises the constitutional arrangements within the UK and has agreed that Wales will decide how the CAP reform changes are implemented in this country without needing to accommodate the wishes of the rest of the UK.

HCC considers that the Welsh red meat industry needs to be in a position to cope with and adapt to changes in the Common Agricultural Policy (CAP), specifically in relation to reductions in support which will impact directly on farm incomes. This also needs to be achieved alongside a requirement to provide red meat for an ever increasing world population whilst maintaining the environment and landscape.

In supporting the industry to adapt and change HCC considers that the focus should be to improve productivity efficiency (thereby increasing quality supply) and to increase demand for Welsh red meat products (thereby increasing sales and returns). It is the view of HCC that a profitable, efficient, sustainable and innovative industry requires support to maximise sustainable production efficiencies by increasing the number of progeny reared and the growth rates. Farm management practices which can help maximise sustainable output include improved use of grassland and forage, improved utilisation of animal genetics and reduced disease incidence. Healthy and well-nourished livestock utilise forage more effectively and grow at optimum rates.

How we ensure that our sustainable land management policies maintain vibrant rural communities and attract new entrants into the land-based sector?

By ensuring that Sustainable Land Management is implemented in a way which enables and supports farmers to be profitable while providing safe and healthy food policies, will by default contribute positively to the maintenance and enhancement of vibrant rural communities.

Sustainable agriculture promotes greater stability in the rural economy.

It is the view of HCC that the CAP should be implemented in Wales in a way which assists new entrants to the industry. Any payment should complement and enhance delivery of the existing Young Entrants Support Scheme (YESS) in Wales. Where applicable, support should be provided as part of a route towards individual business succession planning and implementation. The approach should not be limited to young farmers and priority should be extended to include new entrants and those wishing to expand sustainable production.

The most appropriate geographical scale(s) at which we should be delivering sustainable land management policies and practices in Wales?

As stated earlier in this response, HCC considers the development of a national resource management plan useful to steer the overall direction. However, managing natural resources locally provides a practical system that allows local issues to be considered in a fair and appropriate manner.

If there are key actions we can take to deliver short-term 'quick wins' and the actions we should be taking for the long-term?

It is considered that CAP reform is expected to pose a major challenge to the Welsh red meat industry in the short term as Welsh producers will need to come to terms with the full implications for their businesses of changes in European subsidies and their subsequent impact on regulatory burden and environmental management. HCC considers it vital that CAP Reform is implemented in Wales in a way which recognises that livestock farming is not only suited to the climate and geography of Wales, but is the only economic activity in rural areas that can contribute to maintaining the attractive landscape, thereby supporting tourism. Food security remains a clear priority with the world population increasing exponentially.

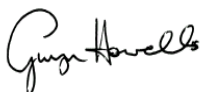
As stated earlier in this response, HCC considers streamlining regulatory regimes is likely to achieve better outcomes for the environment and simpler systems for people.

It is also considered important that land use planning is complimentary to environmental management planning and that due consideration is made to all planning requests, with business needs given equal importance to the environmental needs.

In conclusion HCC considers therefore that stakeholders in all sectors of the agricultural and processing community have positively adapted to the demands for a sustainable way of life and are already playing a prominent and proactive part in the safeguarding of the environment. HCC would like to stress the importance to policy makers of remembering that the Welsh environment not only contributes to the social well-being and leisure activities of communities but also needs to sustain them financially. With this in mind it is essential that Sustainable Land Management includes the interests of businesses as without a healthy rural economy it will be impossible for Wales to enhance its standing as a vibrant, sustainable economy.

We hope that these comments are useful in your deliberations and would appreciate being kept informed of any further developments in this area.

Yours sincerely



Gwyn Howells
Chief Executive