

**The Common Agriculture Policy (CAP) Reform:
Conversation on the way forward for Wales**

A response to the Welsh Government
31 March 2012

Statement:

- The Society of Biology welcomes the opportunity given by Alun Davies AM and Deputy Minister for Agriculture, Food, Fisheries and European Programmes to comment on the consultation document 'The Common Agriculture Policy (CAP) Reform: Conversation on the way forward for Wales' issued on 19 December 2011.
- This response has been prepared with specific guidance from the Wales Branch members of the Society alongside the work of the Society's CAP Task Force comprising Fellows and Member Organisation representatives. Our members have responded as professional biologists, rather than agricultural economists or policymakers. The questions have been a helpful guide and every effort has been made to address concerns relating to farming *per se*, land management, biodiversity and conservation, socio-economic issues for Wales and the over-arching need for a holistic approach in any question relating to long-term sustainability of the Welsh economy and landscape. We highlight in our response a number of relevant statements already made by the Society, and in the Position Statement on Reform of the CAP available on our website.¹
- The Welsh countryside, whether 'natural', semi-natural or heavily managed is a vital component of the Principality. It provides food, timber, opportunities for tourism and 'environmental services' such as water resources, carbon capture and biodiversity, as well as the more aesthetic but nevertheless crucial attributes of landscape and culture, including the preservation of the Welsh language in rural communities.
- We recognise the great diversity of farming and land-use seen in Wales and the consequent wide range of income of farmers and those who live in and from the countryside. We wish to emphasise that whatever reforms occur to the CAP, as devolved to Wales, they should enhance the value of the Welsh countryside, or at the very least maintain its current ability to support the economy and the environmental services it now provides and those it may be called upon to provide as climate change makes its impact felt.

¹ Policy Statement on Reform of the Common Agricultural Policy <http://www.societyofbiology.org/documents/view/666>
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Q1 - What do you think about the Commissions proposed reference year being 2011?

1. We consider the current status of the Welsh countryside to be less than perfect – even deprived. If a year such as 2011 is chosen as a benchmark it should be acknowledged that this is only marker of a low ebb, below which we should not wish Wales to sink.
2. Every effort should be made to maintain, improve and develop the countryside in a way which sustains the various services and beneficial aspects it could produce under careful and knowledgeable management.

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

3. We would applaud any measures to reduce this practice but do not feel qualified to suggest 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?

4. We understand that the needs of the countryside and those whose livelihood depend on it vary greatly across the country. The large dairy farms of the Vale of Clwyd for example support fine trees and some good hedges but the grass is (and needs to be) a valuable industrial crop and cannot be considered to contain more biodiversity than a golf course.
5. The sheep farms of Snowdonia may provide, unassisted, a far lower income than dairy farming but the farmers are custodians of valuable water catchment and storage systems and ability to capture and provide very long term storage of carbon. Thus the payment types should take into account this diversity of operation and ability to sustain rural life.
6. We would like to emphasise here a number of points made earlier to the Environment, Food and Rural Affairs Committee inquiry²
 - i. There should be no payments without matching public goods; and a balance of economic, social and environmental benefits.
 - ii. Much of the present CAP supports inefficient practices. A reward system should be designed around simple metrics that demonstrate that desired levels of production have been achieved with decreasing demand on resources.
7. In addition general recommendations made to Defra this month are also relevant³
 - i. Food production is clearly central to any agricultural policy. And the future of farming requires significant improvements in environmental sustainability. Only if farming is

² Response to EFRA: Impact of Common Agricultural Policy Reform on UK Agriculture, Society of Biology, December 2010 (<http://www.publications.parliament.uk/pa/cm201011/cmselect/cmenvfru/writev/671/cap19.htm>)

³ CAP Reform post 2013 response to Defra, Society of Biology, March 2012, (www.societyofbiology.org/documents/view/936)

economically sustainable can we expect farmers to deliver the non-costed ecosystem services upon which our survival relies.

- ii. European agriculture policy should aim to achieve food security without bringing additional land of higher biodiversity value into agricultural production.
- iii. We support the concept of sustainable intensification which would allow competitive food production to coexist with green measures. However this concept is far from being a practical method which can be delivered via farms across Europe. Therefore we recommend that specific, significant investment should be introduced through the CAP into research on and dissemination of methods for sustainable intensification across the diverse farming systems and geographical variety of Europe.
- iv. The CAP should be as simple as possible, but must incorporate flexible measures which respect regional variations in geography, climate, culture, agricultural systems, valuable ecosystems etc.

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?

8. We can see the great value in moving carefully from one situation to another, with constant monitoring and the provision of experienced advice.

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

9. See responses above concerning the different income levels of the various types of farm in Wales.

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?

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

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

10. We believe that Glastir has been of benefit to Wales and that it and schemes like it should be supported by sufficient highly trained staff, particularly in the fields of ecology and hydrology. Any extension of such schemes is welcomed: any reduction is a cause for concern.

11. We would like to draw attention to a number of points made previously to the EFRA Committee inquiry in 2011 which we feel have relevance here⁴
 - i. The first responsibility of those developing and delivering the Common Agricultural Policy should be "do no harm".
 - ii. A definition of permanent pasture/grassland is required which would differentiate between high nature value permanent grasslands, which are seriously threatened, and low nature value but high agricultural value intensively managed and reseeded grasslands.
 - iii. High nature value grasslands require a clear definition and specific protection within the Common Agricultural Policy, which is lacking in the current proposals.
 - iv. The benefits of proposed measures depend crucially on how they are implemented. Measures more clearly targeted on environmental outcomes are likely to be more effective.
 - v. We support significant investment through the CAP into research on and dissemination of methods for sustainable intensification.
 - vi. If pillar one includes effective greening measures, this will free up well-targeted agri-environment schemes and budgets to address specific regional and ecological priorities.
 - vii. While intensive farms should certainly be required to provide environmental benefits in return for support by the European taxpayer, much more effort needs to be made to develop policy instruments which also protect the most environmentally valuable farmland from intensification or abandonment.
 - viii. Specific support for high nature value farming would be a big improvement to the current proposals.
 - ix. Approaches such as paying the full costs of management for land which would otherwise be abandoned should be explicitly encouraged.

12. We would further like to highlight comments made to the same Committee in 2010 on the role of public subsidy⁵
 - i. The CAP should support an improved valuation⁶ of the public goods and services created by agriculture, including the natural resources which deliver them. This would allow public subsidy to pay the proper price for such goods and services.

⁴ *Response to EFRA: Greening the Common Agricultural Policy*, Society of Biology, November 2011 (<http://www.societyofbiology.org/policy/consultations/view/57>)

⁵ *Response to EFRA: Impact of Common Agricultural Policy Reform on UK Agriculture*, Society of Biology, December 2010 (<http://www.publications.parliament.uk/pa/cm201011/cmselect/cmenvfru/writev/671/cap19.htm>)

⁶ The Society of Biology is a partner in the Natural Capital Initiative, which aims to support the development of UK science, policy and practice aligned with the ecosystem approach; a way of looking whole ecosystems in decision making and for valuing the goods and services they provide. The Natural Capital Initiative (NCI) is a partnership between the Society of Biology, Centre for Ecology and Hydrology and the British Ecological Society. www.naturalcapitalinitiative.org.uk

- ii. We disagree that organic farmers should automatically receive greening payments, without having to demonstrate environmental benefits. Well managed organic farms do provide exceptionally good environmental benefits. However, badly managed ones can provide disbenefits such as nitrate pollution.
13. Further relevant comments on greening measures were made to the recent Defra consultation 2012⁷
- i. The proposal for a compulsory and substantial green requirement for farmers receiving pillar one direct payments sends a welcome signal of the fundamental importance of environmental sustainability to the long-term future of agriculture.
 - ii. As currently drafted, however, the proposals are too loosely worded to ensure environmental benefits, and indeed have the potential to create significant environmental harm especially to high nature value grasslands.
 - iii. Requirements should be more clearly targeted on measurable environmental outcomes.
 - iv. We recommend targeting more of the greening budget towards agricultural land which is already managed in a manner which generates high biodiversity. The concept of high nature value farming is well developed within European policy, and member states are required to identify high nature value farmland. It is therefore very surprising that the commission's greening proposals do not mention high nature value farming. Specific support that ensures the economic viability of high nature value farming should be included in the current

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

- 14. Welsh farmers should be proud of the way they have survived all manner of difficulties to feed the people of Wales and to export high quality products. Nevertheless, we all recognise that this should not be at the expense of everything else in the countryside or we could end up looking like The Fens or indeed the massive monoculture areas of conifers elsewhere.
- 15. We would like to re-iterate relevant comments on the balance between intensive and extensive production made to the EFRA inquiry in 2010⁸
 - i. Maximising food production on a given farm may be economically sustainable in the short term, but provides nothing for wildlife or wild plants. If we want to reverse the

⁷ CAP Reform post 2013 response to Defra, Society of Biology, March 2012, (www.societyofbiology.org/documents/view/936)

⁸ Response to EFRA: Impact of Common Agricultural Policy Reform on UK Agriculture, Society of Biology, December 2010 (<http://www.publications.parliament.uk/pa/cm201011/cmselect/cmenvfru/writev/671/cap19.htm>)

decline in biodiversity, we must share resources (nutrients, space, water) and agricultural production with them.

- ii. The "high nature value" agriculture practised in many of our most remote and beautiful landscapes provides sustainability in environmental and social terms, but is not economically sustainable without public support. Livestock production at appropriate stocking density is often the most efficient way to manage such land.
16. It is not clear that the current proposal requiring rotation of arable crops will automatically generate environmental benefits proportional to their disruptive effects on some types of farm in some agroclimatic zones. The benefits of this and the other proposed measures depend crucially on how they are implemented. Measures more clearly targeted on environmental outcomes are likely to be more effective and should be introduced in the revised proposals.

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

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

17. We thoroughly approve of the priority given to young farmers but emphasise the need to care for small farmers whose holdings may include some of the most valuable land in terms of biodiversity in Wales.

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?

18. We approve for the reasons given above.

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.

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?

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

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

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

19. Yes

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

20. Yes we would but want to press the point that whatever is done should have regard to the total picture. Management of the countryside demands an holistic approach.

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

21. The measures must have proper regard to training and the provision of experienced advisors.
22. In this regard many concerns are similar to those outlined to Defra this month regarding research, knowledge and trained people⁹
 - i. Research, knowledge and trained people are vital to define, develop and deliver sustainable agriculture and effective agricultural policy. They should receive a higher profile in the reformed CAP. The CAP must overcome major technical and scientific challenges if it is to reflect the multiple demands for food security and productivity, improved environmental quality and better social health, wealth and welfare.
 - ii. There is inadequate investment in all forms of agricultural training and research, and a dearth of suitably qualified and skilled people, particularly in careers for the younger generation. Establishing, implementing and achieving agricultural policy will be entirely dependent upon skilled and trained people across all sectors from farm workers, agronomists, breeders and machinery producers to researchers and policy-makers.
 - iii. A crucial role for public funding through CAP is research and training of individuals directed towards delivering and monitoring sustainable agriculture, and translating research into improved agricultural policy and practice.
 - iv. There should be a greater emphasis on the transfer of information from research into the policy arena. The current regulatory framework is not wholly evidence-based.

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

23. Whatever is done, it should lead to enhancement of rural life and well-being.
24. We would like to reiterate points made relating to the importance of an ecosystem approach and regard for biodiversity
 - i. There should be no public subsidy unless it is linked clearly to the delivery of public

⁹ CAP Reform post 2013 response to Defra, Society of Biology, March 2012, (www.societyofbiology.org/documents/view/936)

goods.

- ii. Valuation of ecosystem services and natural capital¹⁰ is essential, so that their protection and management can be properly supported by the policy, and to assign an appropriate payment for goods and services provided by farmers which currently have no value in the market. The CAP should explicitly fund research to improve such valuations.
- iii. The policy should encourage greater integration of genetic biodiversity of farmed plants and animals into 'mainstream' biodiversity considerations.¹¹

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?

Q22 - What do you think of the current Axis 1 schemes? How could they be improved?

25. All holders of land should have access to Farming Connect and it should be developed accordingly if need be.

Q23 - The advisory element covers farming, food and voluntary enterprises, should this be covered under the service Farming Connect provides?

26. We believe that there is a dearth of properly trained ecological assessors in Wales. This could result in inadequate advice being given to farmers with a net disbenefit to the countryside and everything we expect it to provide.

Q24 - What do you think of the current Axis 3 scheme? How could they be improved?

27. We would hope that cross-boundary or even cross-border discussions could be facilitated with other parts of the EU where natural heritage is treasured as it is in Wales.

Q25 - What do you think of the current Axis 4 scheme? How could they be improved?

28. We can only approve such initiatives.

Q26- Should axes 3 and 4 fit into a broad strategic template?

29. Yes.

¹⁰ The Society of Biology is a partner in the Natural Capital Initiative, which aims to support the development of UK science, policy and practice aligned with the ecosystem approach; a way of looking whole ecosystems in decision making and for valuing the goods and services they provide.

www.naturalcapitalinitiative.org.uk

¹¹ CAP Reform post 2013 response to Defra, Society of Biology, March 2012, (www.societyofbiology.org/documents/view/936)

Q27 - Under Axis 3 and 4 should we be supporting fewer but larger projects within each LAG (Local Action Group)?

30. Not entirely. The issues are so varied and complex that it would seem more sensible to retain a mix of project sizes.

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

31. We appreciate that agriculture in Wales is heavily subsidised but food production is only one outcome of good land management and the subsidy, properly and wisely used allows the other environmental services to be optimised. It should all be considered as Wales plc – a unit able to generate income and support culture in all its ways.
32. In our response to Defra this month we made the following relevant recommendations¹²
- i. Food production is clearly central to any agricultural policy. And the future of farming requires significant improvements in environmental sustainability. Only if farming is economically sustainable can we expect farmers to deliver the non-costed ecosystem services upon which our survival relies.
 - ii. The CAP needs to enable investment and incentivise resource-use efficiency.

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

33. It should demonstrate a caring approach in support of diversity of habitat, sustainability of enterprise, maintenance or enhancement of biodiversity and quality of product. It should nurture Welsh culture and be a bastion of the Welsh language. It should maintain rural populations and avoid depopulation. It should combine and demonstrate the value of traditional skills as well as embracing modern sensitive technology.

Response Form

Your name: Dr Barbara Knowles

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We have asked a number of specific questions. If you have any related issues which we have not specifically addressed, please use this space to report them:

¹² CAP Reform post 2013 response to Defra, Society of Biology, March 2012, (www.societyofbiology.org/documents/view/936)

Please enter here:

Responses to consultations may be made public – on the internet or in a report. If you would prefer your response to be kept confidential, please tick here:

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This consultation response was developed through contributions from members, in particular the Wales Branch of the Society and a Task Force comprising Fellows and Member Organisation representatives.

We are pleased for this response to be publicly available and will place a version on www.societyofbiology.org. For any queries, please contact Dr Barbara Knowles, Society of Biology, barbaraknowles@societyofbiology.org

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