OPPORTUNITIES FOR GROWTH

NFU CYMRU WELSH CROPS & HORTICULTURE REPORT



NFU CYMRU



FOREWORD

Whilst arable and horticulture crops in Wales represent around just 6% of agricultural land, the two sectors punch above their weight and produce some of Wales' most valued and recognisable produce.

From PGI Pembrokeshire Early Potatoes marketed through the major retailers to malting barley used within our microbreweries and distilleries, the arable and horticulture sectors underpin the very best of Welsh food and drink.

There are opportunities to grow markets in the retail and wholesale sector with strong demand for high quality, climate-friendly produce; also increasing the supply of Welsh grown fruit and vegetables to our schools, hospitals and other public institutions.

As a celebrated livestock nation, our arable farmers are intrinsic to Welsh red meat and dairy production supplying safe and reliable grain-based animal feed, and other by-products to supplement grass-based diets as well as providing essential livestock bedding materials – reducing reliance on imported goods at a lower cost both economically and environmentally.

The Welsh arable and horticulture sectors are some of the most entrepreneurial, sustainable and ambitious in farming today. With plenty of opportunities for growth, an enabling and supportive policy and regulatory framework is needed to help the sectors fulfil their potential.

This NFU Cymru Policy Report sets out these opportunities as well as some of the challenges for farmers in Wales and puts forward key recommendations to help the sectors grow. The NFU Cymru Crops and Horticulture Board looks forward to working with Senedd Cymru and Welsh Government to deliver on our ambitions for the arable and horticulture sectors in Wales.

Tom Rees,
NFU Cymru Crops and Horticulture Board Chair

INTRODUCTION

Farming underpins Wales' globally recognised food and drink sector worth £10.2bn to the Welsh economy, employing 223,500 people and recipient of over 200 international 'Great Taste' Awards.

Horticulture and arable producers lead the way in producing award-winning food underpinned by a rich history of local, sustainable production. Welsh leeks, traditional Welsh cider using the nation's apples, Pembrokeshire Earlies, and the Denbigh Plum are just a few of the Protected Geographical Indication (PGI) and Designation of Origin (PDO) goods produced by Welsh farmers. The two sectors have also seen growing commitment from both the Welsh public and investment in the supply chain. From the over 40% of people in Wales who regularly use farm shops and vegetable box schemes to recent capital investments in UK cereal processing, the arable and horticultural sectors are rightly gaining recognition for the vital role they play in delivering economic growth. Welsh agriculture alone has a Gross Value Added (GVA) of over £700m and has created almost 50,000 jobs, predominantly in rural Wales.

Global climate change, a growing population and dietary shifts towards nutritious, low-carbon diets will only increase demand for Welsh produced grains, pulses, fruit and vegetables at home and abroad.

However, the sector faces challenges. Food and Drink Wales' Climate Resilience Monitor report, for example, identified six major risks to domestic food production and supply chains including extreme weather. From record heatwaves and prolonged dry weather to unprecedented volumes of rain and flooding, farmers in Wales are on the front line of climate impacts, stressing crops and increasing irrigation demand.

Welsh farmers are also contending with rising and volatile input costs. The conflict in the Middle East has caused unprecedented disruption to global commodities and arable and horticulture producers have seen fertiliser prices rise by almost 40% leaving them facing tough decisions over the affordability of crop production going forward.

Fairness in the supply chain is an ongoing concern. As price-takers producers are vulnerable to poor practices and low marketplace returns, often not knowing what their produce is worth on the day it leaves the farm.

Cumulatively the challenges undermine producer confidence with long-term impacts for consumers including higher food prices and the risk of empty shelves. NFU Cymru is clear that embracing the opportunities for growth that exist requires a collective effort on tackling the challenges facing the sectors through the right policy and regulatory environment.

In this policy report, NFU Cymru sets out the barriers to growth and stability facing the two sectors and puts forward solutions to ensure the sectors can grow and flourish. Given the right support, the Welsh crops and horticulture sectors are well placed to provide healthy and sustainable food to local communities, bolster food security and grow our local and national economies.



THE PRODUCTS







Whilst the UK is almost entirely self-sufficient on staple crops such as oats, barley and wheat, self-sufficiency in vegetables and salads has declined to less than 60% and domestic production of indigenous fruits stands at around 40%.

Welsh arable and horticultural producers provide a variety of products essential for a healthy, nutritious and balanced diet. Welsh produced fruit and vegetables contribute to the recommended five a day and are a reliable source of the vitamins and minerals. Arable crops, meanwhile, offer a range of health benefits; from cholesterol lowering oats to gut-healthy potatoes, recent innovations have enhanced these historical staples for the modern market. Alongside this, arable and horticulture production in Wales provides vital sources of animal feeds transformed by livestock into nutrient dense red meat and dairy products, providing sources of protein and essential vitamins and minerals for consumers in Wales and across the world.

Whilst these two sectors have long been limited by the capability of land, a combination of aspiration, new technologies, and hard work has seen the arable sector expand by 25% in the last decade to over 110,000 hectares and, after a period of decline, the horticulture sector is steadily growing with diversifications such as ‘pick your own’ fields and farm shops.

Wales’ food and drink sector, however, remains heavily reliant on imports from as far as South America as well as EU nations such as Spain and the Netherlands for its raw materials. In the context of increasing volatility and shocks to the international supply chain, increasing financial and environmental pressures on the sectors, a growing global population, and competing demands for finite resources, NFU Cymru is clear that food security can no longer be taken for granted. Maintaining and enhancing domestic food production, rather than off-shoring, are essential for resilient supply chains.

Recent analysis suggests that better use of less than 1% of the UK’s farmed land could allow the UK to grow 66% of its vegetables and fruit and add £1.9 billion to the UK economy. Welsh horticultural producers, therefore, have considerable potential to grow the sector and ensure that fresh, nutritious food continues to be available and affordable for consumers.

CASE STUDY

Colin Phillips

Arable farmer in Raglan, Usk

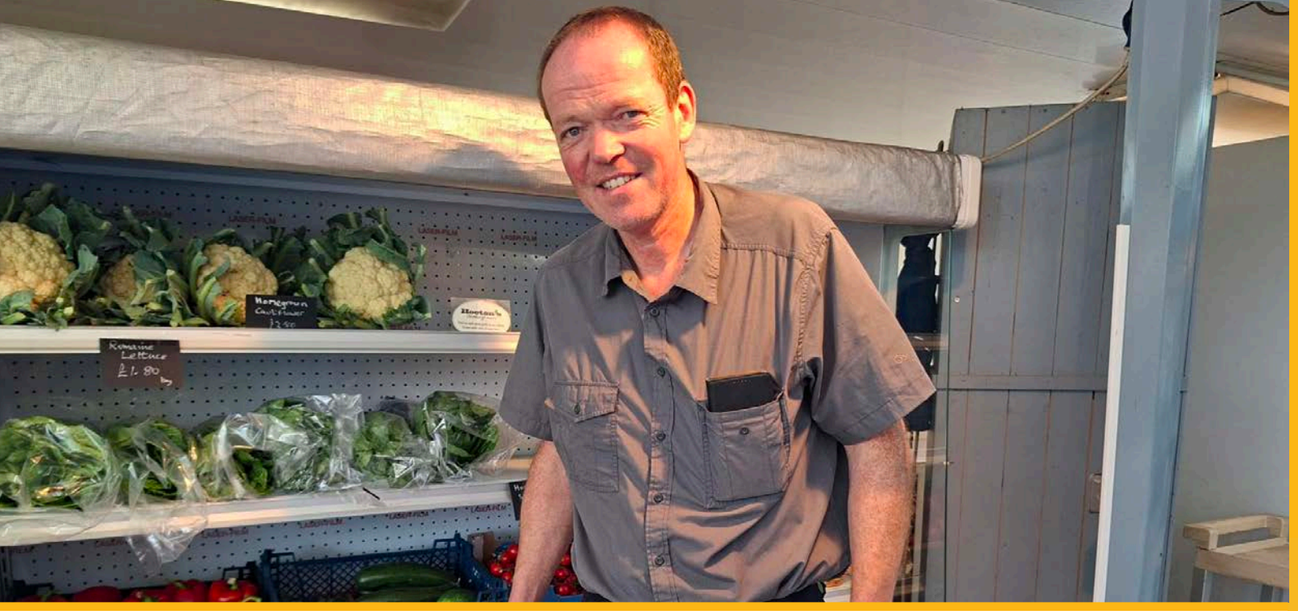


Colin is a tenanted arable farmer in Monmouthshire where he grows porridge oats, milling wheat and other crops, whilst also finishing beef cattle with his nephew.

Tenancies play a vital role as a crucial doorway for new entrants and young farmers into Welsh agriculture. It also allows farm businesses to sustainably grow by adding rented lend to their pre-existing business, an important practice for arable farmers in Wales.

In recent years the stakes have never been higher for Colin with rising input costs, unpredictable prices and extreme weather events all threatening the success needed to maintain a viable tenancy. This has meant Colin has developed a keen eye for detail and innovation such as establishing wildflowers alongside his crops as a way of controlling pests and planting later in the year to reduce the amount of pesticide needed. As farmers with a contract farming arrangement, they are fully reliant on a profitable business model that delivers both environmental and economic success to keep the arrangement working.

Colin asks that Welsh Government: *“Ensure that government policy and support is targeted at the active farmer taking the risks associated with food production, giving equal access to schemes to farmers who do not own the land that they farm as those that do.”*



CASE STUDY

Hooton's Homegrown Farm shop and fruit picking Llanfairpwll, Anglesey

Situated next to their family farm, the Hootons' family farm shop in Brynsiencyn has long been a popular destination for the local community and visitors to the Isle of Anglesey. Michael and Rosalind Hooton built the business after marrying in 1968, initially farming potatoes and cereals before expanding into selling produce locally. Their sons Andrew and James now continue to operate and develop the farm business alongside them.

Success allowed them to open a second farm shop at the island's iconic Llanfairpwllgwyngyllgogerychwyrnd-robwllllantysiliogogogoch train station just a few metres from the world-famous train-station sign, celebrating the town with the longest name in Europe, allowing them to sell to the almost two million tourists who visit Anglesey each year.

The farm shops sell the family's own fresh fruit and vegetables as well as other local produce including a variety of meat, poultry and dairy products. This is alongside homemade pies made using their own vegetables and a very popular food trailer selling jacket potatoes. During the summer the family also open their 'pick your own' fruit fields in Llanedwen, just three miles from Menai Bridge, where visitors can harvest their own seasonal produce including strawberries, gooseberries, rhubarb and peas.

The business remains family-run providing full-time and part-time employment for the local community. James promotes the farm's produce via social media as 'The Rhubarb Farmer' where he celebrates buying local and the benefits of shorter supply chains as well as explaining how the family grow their products. With his online videos regularly gaining thousands of views this has allowed James to direct online followers to the farm shops. He is confident that there is a strong future for the horticulture sector in Wales with room for productive expansion whilst continuing to farm sustainably.

James highlights that: *"Given the right support and incentives, the horticultural sector has significant potential for growth and fulfils a huge number of objectives on sustainability and environmental delivery through reducing food miles, promoting balanced diets and growing rural economies. We ask Welsh Government to recognise and support the huge importance of the arable and horticultural sectors to Wales, for the multiple benefits they provide."*

THE SUPPLY CHAIN



The wide variety of crops and horticultural goods produced by Welsh farmers not only provide the raw materials to meet the diverse requirements of the food and drink industry but are invaluable to feeding the 1.4 million households in Wales.

The importance of resilient supply chains in light of recent geopolitical disruption and climate impacts cannot be overstated.

Building resilience within the supply chain begins with giving greater recognition to the role primary producers play. Supporting Welsh producers through the development of shorter supply chains, public procurement, and tackling unfair practices are just a few ways to give confidence to grow the two sectors, delivering the multiple benefits that extend beyond the farm gate.

Supporting local food production and supply chains keeps more value within rural communities, underpins local jobs and businesses, and gives consumers confidence in the high standards and traceability of Welsh produce. Short supply chains also strengthen food security and resilience, helping to protect communities and sustainable farming from external economic shocks and global disruption.

The 'Welsh Veg in Schools' movement, alongside other initiatives like Larder Cymru, have seen real successes in supplying schools across Wales with local fruit and vegetables. These initiatives deliver many benefits including improved knowledge of food production, greater access to nutritious food and the opportunity to tackle climate change by cutting emissions with shorter supply chains.

NFU Cymru has long called for Welsh Government to commit to sourcing an increasing amount of food from Welsh farmers into the public sector. We are supportive of the government's manifesto commitment to increase the proportion of publicly procured food that is of Welsh origin from 23% to at least 50%, and that 25% of vegetables served in Welsh schools will be of Welsh origin by 2030. By ensuring that healthy, sustainable and great tasting food produced locally is served in schools and hospitals, Welsh Government can give confidence to farmers and help realise the significant potential of the arable and horticultural sectors, improving the resilience of food supply chains in Wales.

Supply chain fairness is an ongoing concern exacerbated by market volatility and extreme weather. As price takers, pressures on the sectors can intensify power imbalances facing Welsh producers when bargaining with purchasers. Operating within the globally interconnected market leaves arable, and to some extent horticultural, producers vulnerable to uncertainty and unfair practices. NFU Cymru is clear that action must result from the UK-wide consultation on 'Contractual Relationships in the Combinable Crops Sector'. The AIC No.1 Contract used in almost all grain sales must be adapted to reflect a fairer balance of power, give greater clarity to specific definitions, and ensure that all changes are in writing and agreed by both parties.

Furthermore, farmers must be enabled to have more involvement in the sampling process, taking a representative sample either before or at the point of loading, used for the basis of payment or for an independent test in the case of a dispute. To aid this Welsh Government, alongside Defra and UK-wide stakeholders including NFU Cymru, must work to implement a single, industry-owned digital passport to replace the numerous existing systems owned and controlled by individual merchants.

Fairness also extends to risk management and methods to better share risk in the supply chain are increasingly being explored by Welsh farmers.





CASE STUDY

Swan's Family Farm Shop

Ffrith Farm, Clwyd

Clive, Gail and their son Ed Swan run a multi-generational family farm in Clwyd where since 2003 they have welcomed the local community and visitors to the Swan Family Farm Shop.

Embodying the ethos of 'food metres, not miles' the Swan family sell their own produce directly to the public including their beef, renowned for its marbling which the family attribute to a diet of home-grown spring barley, as well as award-winning pork products also fed home-grown wheat. This is alongside a very popular 'pick your own' sunflower field and annual pumpkin patch. The farm shop's 'Swan Assured' scheme includes a guarantee of reduced carbon that the family credit to regenerative practices such as reduced tillage, rotational grazing and a prioritisation of improving soil health.

This self-reliance and sustainable farm to fork model have seen the family win numerous awards including the NFU Cymru / Wynnstay Group Plc Sustainable Agriculture Award and Farm to Fork Producer of the Year at the Food and Drink Wales awards.

Ed, now a member of the NFU Cymru Next Generation Development Group, feels that Welsh Government and Senedd Cymru should work with the sector to enable and reward farmers to undertake locally sustainable practices within the supply chain.

He emphasises that, in Wales, fully functioning supply chains are critical and it is vital to recognise the interdependencies. *"Processing capacity is essential and local suppliers like our farm shop rely on small businesses such as local small abattoirs. We have already lost one small slaughterhouse, if we lose another our sustainability and our business will suffer. From the crops we plant to feed the cattle to the beef we eventually butcher in-store; they all rely on each other."*





CASE STUDY

Jason Llewellin

Arable farmer in St Ishmaels, Haverfordwest

Jason is a mixed arable farmer in partnership with his wife Ros and his parents under J Llewellin & Co, growing wheat, oilseed rape, barley and beans selling to feed mills in Carmarthen, direct to local farms and to Welsh cooperative CCF.

Beginning at Trewarren in 1955 with Jason's grandparents, the family have long strived to farm productively and profitably whilst enhancing the environment. Technology and infrastructure have been central to this with the Llewellin's investing in a 2,000-ton crop storage building with automatic temperature control as well as maintaining five large ponds created for irrigation that are also a breeding ground for a variety of wildlife. Cover crops, habitat creation and management and other sustainable practices using new technologies have seen the family recognised for both their produce and methods, winning the inaugural NFU Cymru / Wynnstay Group Plc Sustainable Agriculture Award.

The Llewellin family's award-winning sustainable practices have long protected and enhanced their environment, but they are still exposed to extreme weather, economic shocks and supply chain disruption. This year Jason saw below average yields due to record breaking dry weather which also led to his ponds suffering with little to no water. Having previously installed a 20kW wind turbine to reduce the farm's reliance on costly fuel, Jason is all too familiar of the investment required to enhance resilience.

Looking forward, Jason says that: *"The arable sector in Wales will become more important as our climate changes and the need for home grown cereals and proteins will increase with that. I want to see more Welsh produce fed to Welsh livestock not only to reduce food miles and emissions but to reduce our reliance on imports and volatile supply chains."*

He asks Welsh Government to: *"Push the boundaries when designing and evolving the Sustainable Farming Scheme (SFS) to include actions that boost the production of arable and protein crops whilst allowing us to improve the soil and our environment."*

MARKETING AND TRADE

Welsh food and drink is globally recognised with established markets within the European Union (EU) and United States (US) and growing demand in the Middle East and Asia.

Global demand for arable and horticultural goods is set to rise due to a growing world population, the impact of climate change challenging the viability of food production in some areas of the world and shifting consumer preferences to fresh, more sustainable produce. In this context, there are substantial opportunities for growth of the arable and horticultural sectors in Wales if the current challenges to trade are addressed.

In the last year, NFU Cymru has welcomed the UK Government's progress in reducing trade costs and friction with the EU and securing access for Welsh produce into Gulf Cooperation Council nations whilst Welsh Government has consistently shown intention to promote closer ties with the EU and other international trading partners.

Going forward, Welsh farmers must be both protected and promoted, ensuring their interests are represented in negotiations. Future trade deals must ensure a balanced approach between agriculture and other sectors of the economy. In the context of the sustained and cumulative impact of trade deals with Australia, New Zealand and the US, the Welsh and UK farming sectors cannot continue to be used as a bargaining chip in international trade negotiations.

In May of 2026, the UK-US deal saw the UK arable and livestock sectors take a huge hit with the US given tariff free access to the UK market. At the time, the industry recognised that this was deemed a necessary burden to protect the wider economy with the UK given reciprocal tariff reductions in other key sectors such as car and steel production but it is clear that surrendering any more access is not possible without risking UK farming and our food security as a nation. The UK and Welsh Governments in their own representations, must be prepared to deny further agricultural concessions and be vigilant in monitoring any harmful consequences arising from future trade deals.



It is clear that there should be a far greater role for Senedd Cymru and Welsh Government in how trade deals and international agreements are negotiated and approved. With the implementation of many of the obligations arising from trade deals typically encompassing areas devolved to Wales, namely agriculture, food safety, environmental protection, and elements of biosecurity, NFU Cymru believe that, from the outset, there must be early and continued dialogue between Westminster and Cardiff Bay. This is to ensure that any issues or potentially disproportionate impacts to Wales are picked up as early as possible, allowing for the identification of respective solutions at both UK and devolved levels. Although reserved, scrutiny of Welsh Government on matters of international trade now sits with the Senedd's Constitution, Justice and External Affairs Committee (CJEA), the Committee must be prepared to work with industry stakeholders in evaluating the continuous impact of past, present and future trade deals.

Welsh Government and Senedd Cymru, especially through the CJEA and the Climate Change, Environment, Sustainability and Rural Affairs Committee, must also engage with the supply chain to increase understanding of and to identify opportunities to, increase demand for Welsh arable and horticultural products.

Upholding and improving border biosecurity at our ports is the devolved responsibility of Welsh Ministers. Plant diseases and pests continue to circulate in nations we regularly trade with, and the arrival of any invasive non-native species (INNS) and pathogens could only happen via a biosecurity breach. Welsh Government must ensure that all ports of entry into Wales maintain the highest biosecurity standards and are properly resourced. The UK and Welsh Governments must be alive to the potential devastating impact of illegal imports of unregulated plant material or seeds undermining biosecurity.

CASE STUDY
The European Union

The European Union is the UK's biggest trading partner, even more so for Wales. In 2024, 76% of Welsh agri-goods were exported to the EU compared to the UK-wide average of 58%.

Since 2019, the agricultural sector's exports to Europe have fallen which is largely attributed to the cost and time burdens associated with post-Brexit requirements and border checks.

NFU Cymru has cautiously welcomed the UK Government's UK-EU reset and negotiations to secure a novel Sanitary and Phytosanitary Measures (SPS) agreement. Whilst this is not our preferred approach, Welsh farmers have long called for the removal of costly border checks and paperwork for agri-food trade which has put them at a disadvantage on the European market. Though it will take time, the removal of checks through an SPS agreement would benefit arable and horticultural producers importing young plants and seeds whilst also helping reinstate supply chains and the market for British agricultural products in Europe.

Whilst the UK-EU reset can facilitate improved trade with our biggest market, dynamic alignment as part of a sanitary and phytosanitary agreement must have an effective transition period. A hard stop or 'cliff edge' alignment with EU rules on plant protection products could cost the arable and horticultural sectors dearly.

During the time of the UK's membership of the EU matters such as agriculture and the environment, although devolved, were heavily occupied by EU law, severely curtailing the ability of the Welsh Government and Senedd Cymru to act in these areas. Brexit has essentially restored the ability of Welsh Government and Senedd Cymru to act in these areas, which previously had been effectively out of scope. NFU Cymru is clear that where dynamic alignment might engage with, or even expropriate, devolved policy areas and law making, the consent of the Senedd must be sought and extensive, early engagement had with Welsh Government. This is particularly important if primary legislation to introduce dynamic alignment is brought forward in the Houses of Parliament. The views of Wales, as represented by Welsh Ministers, must also be given sufficient weighting at the UK-EU Inter-Ministerial Group.

Welsh arable and horticultural farmers also ask for:

- A transitional arrangement for rules on organic practices, plant protection and biocidal products so Welsh farmers don't face a cliff-edge scenario.
- Welsh and UK progress in combatting anti-microbial resistance and the adoption of precision breeding technology to be safeguarded, supporting the sectors' ambition for sustainable, resilient and innovative food production.

NFU Cymru President Abi Reader has regularly travelled to Brussels on behalf of our members and Welsh agriculture. She says: *"NFU Cymru through Cardiff Bay, Westminster, our office in Brussels continue to ensure our arable and horticultural sectors are represented at every level and opportunity of the UK-EU reset."*





INNOVATIONS FOR A CHANGING WORLD

Improvements in crop productivity, plant breeding, pest management and sustainable practices have helped Welsh agriculture provide high-quality produce for food processors, manufacturers and retailers.

Led by innovative farmers and organisations like IBERS, Wales has been a global leader of plant breeding for over a century, but continued progress is needed if these sectors are to remain competitive in the face of a changing climate.

Wales has the potential and environmental capability to better adapt and cope with a changing climate compared to other parts of the UK. Wales is less susceptible to drought and heat stress than other parts of the UK and Europe allowing for new opportunities to expand our cropped area. Challenges brought on by warmer temperatures such as increases in pests and disease can be mitigated through new innovations, leaving Welsh farmers to confidently harness these opportunities. Greater access to new technologies and practices are imperative to meet the potential and ambition of Welsh arable and horticultural farmers.

Access to targeted precision breeding tools for crops would offer a range of benefits. For instance, gene editing can bolster climate-friendly, low carbon food production through naturally tackling plant disease and pest threats to crops as well as reducing the need for inputs such as fertilisers and pesticides. Gene editing is distinct from genetic modification where it only precisely tweaks a plant's own existing DNA without adding outside genetic material. This process would allow for better use of resources on farm and increase crop resilience to extreme weather events, such as drought and flooding, that are set to become more common.

Such innovation also extends to the two sectors' role in underpinning Wales' livestock sector where advances in grasses and protein crops have the potential to improve yield and nutrient content for cattle and sheep consumption whilst also bolstering disease resistance and soil health.

Attention must also be given to growing opportunity of new technologies in agriculture. In particular, the use of drones on Welsh farms can be game changer for the arable and horticulture sector. Crop and grassland monitoring, the precise spreading of seeds and monitoring of protected wildlife are just a handful of sustainable practices offered by this fast-growing technology. NFU Cymru have been campaigning to allow the use of drones to apply plant protection products from the air - a practice restricted by current regulations. This could transform arable farming in Wales allowing drones to be programmed to accurately target the application of the correct amount of product in the correct area.

CASE STUDY

IBERS at Aberystwyth University

The Institute of Biological, Environmental and Rural Sciences (IBERS) is a globally recognised centre for research which has been working to improve grassland agriculture and food security since the establishment of the Welsh Plant Breeding Station in 1919.

Based on Gogerddan Campus, it is the only institute in Wales dedicated to agricultural research and the only research institute headquartered in Wales strategically funded by UKRI's Biotechnology and Biological Sciences Research Council.

The case studies below illustrate just a selection of the breadth and impact of IBERS' research.

Improved Oat Varieties: Increasing Yield, Quality and Human Health Benefits

Over the past 25 years, IBERS scientists have played a leading role in transforming oat production in the UK through the development of improved varieties which now account for more than 95% of UK winter oat production. The breeding programme focuses on delivering high-yielding, resilient and high-quality husked and naked oat varieties for food and feed markets. By combining advances in genetics, physiology and agronomy, researchers have developed shorter-straw varieties with improved lodging resistance, disease tolerance and nutrient-use efficiency, helping farmers improve productivity while reducing environmental impacts. Marketed by Senova, these varieties also support growing demand for healthy, plant-based foods through their high fibre content and elevated levels of beneficial compounds such as beta-glucan. With eight IBERS oat varieties on AHDB Recommended Lists and ongoing work to improve grain quality and resilience to drought, heat and waterlogging, the programme continues to strengthen food security, farm profitability and sustainable agriculture.

Sustainable Pea Protein Project: Reducing Reliance on Soya Imports

IBERS is collaborating with Germinal Horizon, the John Innes Centre and the PGRO on a £1m project to develop improved pea varieties that can provide a sustainable UK-grown alternative to imported soya for people as well as livestock. Using advanced breeding techniques, researchers are removing genes linked to poor flavour and compounds that reduce digestibility. The aim is to produce peas with a more neutral flavour profile while retaining their high nutritional value. The 'Pea Protein' project could reduce the UK's reliance on imported soya, increase the use of nitrogen-fixing legumes in crop rotations, lower fertiliser requirements, and improve food and feed security.

AI-Powered Crop Breeding Research

Researchers at IBERS and the University's Department of Computer Science have developed innovative AI tools that could significantly accelerate the development of improved crop varieties. Traditionally, plant breeders have had to manually measure thousands of seed pods and fruits to identify traits linked to higher yields, improved resilience and better productivity. This process can be slow, costly and prone to human error. To address this challenge, Aberystwyth researchers developed MorphPod and DeepCanola, AI-based image analysis tools that automatically measure seed pod characteristics such as length, width, area and predicted volume. The technology enables breeders to identify valuable traits more quickly and accelerate the development of higher yielding, more resilient crop varieties.

Enhancing Soil Carbon Storage Through Miscanthus Breeding

Researchers at IBERS are developing new Miscanthus varieties that can help tackle climate change by increasing the amount of carbon stored in soils while maintaining high biomass yields. The findings provide important evidence that future biomass crops can be designed to deliver environmental benefits alongside productive agriculture, supporting net zero ambitions, greenhouse gas removal and sustainable land use. Miscanthus can also act as a low-cost and sustainable livestock bedding material.

Professor Iain Donnison, Head of IBERS, said: *"By developing improved crops, advancing the application of digital technologies, strengthening environmental sustainability, supporting farm productivity and communicating these developments through our extension and outreach activities, IBERS is helping to ensure that Welsh agriculture remains resilient, competitive and capable of meeting future food security and climate challenges."*

FROM FARM TO FORK

FACILITATING OPPORTUNITIES FOR GROWTH

In the last year arable and horticulture producers have seen profits fall, critical input costs soar and some of the lowest harvest yields in recent memory.

Welsh Government's announcement of a ring-fenced multi-annual funding settlement for the Sustainable Farming Scheme (SFS) to 2030 will go some way to helping farmers to weather these climate, geo-political and market-related challenges. We also welcome the commitment to deploy 70% of the SFS budget within the universal layer, in particular the social value element.

Welsh Government figures show that the number of farms in Wales who applied for the pre-existing Basic Payment Scheme (BPS) or the Universal layer of the SFS in 2026 is split almost 50/50. Our arable and horticulture producers feel that access to the scheme is limited by the available options to meet the habitat requirements of the SFS Universal layer and have concerns over how data supplied to fulfil UA1 will be stored and shared. There is a need to further evolve the scheme to address barriers to uptake, so the scheme works for all sectors and areas of Wales.

Investment support through the Optional layer of the scheme is needed to support arable and horticultural producers as they continue to adapt and evolve. In particular, capital investment support for on-farm infrastructure is essential; as is an enabling planning system and reform is needed. To unlock the potential of both sectors, financial support is also required to facilitate investments in the latest innovations such as drone technology.

Given the extremes of wet and dry weather in recent years, we need to better capture the plentiful rainfall that we have in Wales for much of the year to make use of it at times of shortage. Access to water for food production must be prioritised and support for investment in on-farm water storage and reservoirs at scale is needed, as well as simplifying the planning and regulatory processes involved in applying for and using water infrastructure on-farm. Reservoirs slow down and store water at times of excess, underpinning food production at times of water shortage, in addition to delivering significant biodiversity benefits.

Action is also needed to incentivise and support the production of protein crops such as mixed cereals, beans, peas and lupins. A policy that encourages uptake of protein crops would protect food production and have significant environmental benefits by delivering improvements to soil health, supporting the wider uptake of sustainable integrated pest management practices and reducing the reliance on plant protection products. The provision of domestically produced, environmentally sustainable and protein-rich feedstuffs would also support the wider supply chain's decarbonisation ambitions

NFU Cymru is supportive of the introduction of a protein payment made available within the sustainable production element of the Optional layer within the SFS to increase the production of protein crops in Wales.

The overarching vision for Welsh Government's National Food Strategy for Wales must recognise the potential of arable and horticultural producers and reflect our ambitions for the growth. This includes ambitious targets for domestic crops and horticulture production, supported by a policy and regulatory framework enabling the productive and sustainable growth of the sectors. The strategy must also recognise the significant opportunities for public procurement, ensuring an increased proportion of Welsh produce is served within hospitals, schools and the wider public sector.

For many years, the burden of bureaucracy has added cost and stifled innovation on our family farms. The ongoing Independent Review of Regulation on farms must deliver meaningful change to the sector.

Although changes were made to the UK Government's policy in relation to Agricultural Property Relief and Business Property Relief, NFU Cymru remains fundamentally opposed to the policy and its impact on Welsh family farms.

Overall, NFU Cymru believes that significant opportunities exist to realise the sectors' ambition and provide the certainty needed to unlock the full potential of arable and horticultural production for the people and communities of Wales.

CASE STUDY

Richard and Lyn Anthony
Arable farmers and contractors
Sealands Farm in Glamorgan



To many inside and outside of Welsh agriculture, Richard and Lyn Anthony are familiar faces after over two decades of celebrated regenerative arable farming along the coast of the Bristol Channel.

After leaving the family farming business, the Anthony's secured a tenancy agreement near Bridgend and within two weeks were offered a three-year tenancy of 110 acres. By the autumn of 2001 they were farming 1,600 acres.

Today, the Anthony's grow over 2,000 acres of wheat, maize, oilseed rape and lupins, with more land left for grass. Grain is sold to a feed mill in Carmarthen whilst the maize and silage is sold to local dairy farmers. The choice of growing a notoriously challenging crop as lupins, a nitrogen-fixing alternative source of protein to soya, is just one example of the Anthony's passion for innovating and trialling and adopting new developments.

Despite the Anthonys' hard-won successes and well-earned reputation for sustainable farming, the family declined to join the Sustainable Farming Scheme in 2026 citing concerns over the habitat requirements for entering the Universal Layer. It is an important indicator of the need to re-evaluate and evolve the accessibility of the scheme that one of the most well-respected arable farms in Wales feels they cannot participate in the government's flagship scheme.



Since the beginning of the scheme, Richard has emphasised that Welsh Government and the relevant agencies must work with the farming community to find a way to make the SFS work for all areas of Wales and all farming sectors. Sharing his positive vision he says: *"I truly believe that with the right mindset and cooperation from Welsh Government, we can all achieve what we want out of it. It can be done. The scheme must recognise and reward the many actions that farmers already do to combine productive agriculture with sustainable practices."*

KEY ASKS

To achieve our ambitions for the arable and horticultural sectors NFU Cymru is calling for:

Policy and Regulation

- Increase the long term, multi-annual, ring-fenced budget for Welsh farming to £500m per year to account for inflation; maintaining the 70/30 split to the Universal layer of the Sustainable Farming Scheme.
- Ensure the SFS is accessible to all active farmers, and the scheme evolves so that it is attractive and achievable for arable and horticultural producers - including a focus on expanding the available options to meet the habitat requirements of the Universal layer and reviewing the data sharing requirements.
- In line with a Welsh Protein Strategy to increase domestic protein production, the implementation of a protein payment in the sustainable production element of the SFS Optional layer.
- Investment support through the Optional Layer for infrastructure and the latest technology to support arable and horticultural producers as they continue to adapt and evolve .
- Prioritise water for food production, supporting investment in on-farm water storage and irrigation infrastructure and other measures building climate resilience.
- Reform of the planning system including removing planning and regulatory barriers for on-farm water storage and other infrastructure.
- Ensure the National Food Strategy for Wales focusses on the growth of domestic and export markets and includes ambitious targets for Welsh arable and horticultural production.
- Ensure that the Independent Review of the Bureaucratic Burden on Family Farms addresses areas of duplication without delay, removing identified burdens.
- Support the industry in its efforts to fully reverse the Family Farm Tax by re-instating in full Agricultural Property Relief and Business Property Relief.
- Welsh Government climate and wider policies must prioritise food security and not result in the off-shoring of production and changes to land use at the expense of food production and rural communities.

Supply Chains

- Welsh Government must fulfil its commitment to source an increasing amount of food from Welsh farms into the public sector from 23% to at least 50% by the end of this Senedd term and deliver on the commitment that 25% of vegetables served in Welsh schools will be of Welsh origin by 2030.
- Support the development of shorter and more resilient supply chains and local processing capacity.
- Build on the actions identified by the 'UK Contractual Relationships in Combinable Crops Sector' consultation and introduce the appropriate legislation for future grain contracts without delay.
- Work with Defra and UK-wide stakeholders to create and implement a single industry-owned digital passport replacing the numerous existing systems owned and controlled by individual merchants.
- Ensure that all ports of entry into Wales maintain the highest biosecurity standards and are properly resourced including stringent policing of illegal imports.

International Trade

- UK Government must take a balanced approach between agriculture and other sectors in the UK economy in trade negotiations and be prepared to deny further agricultural concessions and be vigilant in monitoring any harmful consequences.
- Future trade deal negotiations must include early and continued dialogue between the UK and Welsh Governments from the outset. The Senedd's Constitution, Justice and External Affairs Committee must be prepared to work with industry stakeholders to scrutinise the impact of trade deals on Welsh agriculture.
- Welsh Government and Senedd Cymru must work with the supply chain to identify opportunities for increasing the demand for Welsh arable and horticultural products at home and abroad.
- On the UK-EU Reset and SPS agreement:
    - A transitional arrangement for rules on organic practices, plant protection and biocidal products so Welsh farmers don't face a cliff-edge scenario.
    - Welsh and UK progress in combatting anti-microbial resistance and precision breeding technology must be safeguarded, supporting the sectors' ambition for sustainable, resilient and innovative food production
    - Where dynamic alignment with the EU might engage with devolved policy areas and law making, the consent of the Senedd must be sought and extensive, early engagement had with Welsh Government.

Innovation and Technology

- Provide access to targeted precision breeding and gene editing technologies.
- Allow the use of drone technology to spread currently restricted Plant Protection Products and consider supporting their purchase through government support schemes.