



Framing the future for the next generation

NFU Cymru Next Generation Report

PRESIDENT'S INTRODUCTION

As custodians of the countryside, every generation of farmer wishes to leave their farm in a better position for the next generation. Wales is home to a rich and diverse farming sector and young people are its life blood.

To ensure the views of the next generation were heard and promoted, eight years ago we launched our NFU Cymru Next Generation Programme and we now have our third cohort of members. The drive and enthusiasm that has existed within each group has been truly inspirational to all of us within NFU Cymru. They are passionate about producing world renowned climate friendly food for a growing population in an environment and landscape that provides habitats for our nature to thrive.

Our next generation of farmers want to capitalise on opportunities to grow our sector and our share of the produce consumed here in Wales and by the UK retail and food

service sectors, expanding our reach in export markets, and increasing the proportion of Welsh food procured by our schools, hospitals and the public sector more broadly. They are ambitious for the future of Welsh food and drink.

I commend the time Welsh Government is taking to develop its approach to future farming policy, this is a once in a generation opportunity and we must get it right for those that will follow in our footsteps. It is vital that the future policy landscape works for the next generation of farmers and that means it must be accessible and achievable by all, regardless of farm type, tenure, system or location.

If our future farm policy is to deliver for our next generation of farmers and the people of Wales, it must be underpinned by long term financial frameworks. We are clear that the budget must match the scale of ambition. Previous commitments made by governments in Cardiff and

Westminster to maintain funding for Welsh farming means that we expect, as a minimum, the circa £374 million that is currently provided through the CAP legacy schemes to be available annually through the Sustainable Farming Scheme.

Farmers are the heart of our rural communities, ensuring the next generation of farmers see a viable future in our industry is critical to preserve the rich language, culture and heritage we have here in Wales.

I remain optimistic that if Welsh Government and the industry work together in genuine partnership we can design and implement policies that ensure Welsh farming can thrive for generations to come. One that allows the farmers of today and tomorrow to continue to deliver high quality, traceable, affordable food and wider economic, environmental, social and cultural benefits for all the people of Wales, whilst meeting our ambition for 2040 net zero agriculture.



NFU CYMRU KEY PRINCIPLES FOR REFORM

Following the EU Referendum NFU Cymru conducted the largest internal consultation in its history and established a set of key principles which we think should underpin future agricultural policy. Crucially, NFU Cymru believes that support should be targeted at the active farmer, must underpin high quality food production and must offer fair reward for the public goods that farmers continue to deliver. In addition, the accompanying regulatory regime must be proportionate, and evidence based.

From these principles, we developed our vision for future policy, which is based around the three cornerstones of stability measures, environmental measures and productivity measures. Collectively the three cornerstones deliver more than the sum of their parts. Farm businesses need stability to be able to deliver environmental outcomes for society and it is only from this position of stability, that farmers can invest in new technologies and productivity measures.

FUTURE POLICY CONTEXT

This is a pivotal time for Welsh farming, with the Welsh Government legislating (through the Senedd) to provide for the primary legislative basis for future agricultural policy, and in doing so defining farming in Wales for a generation or more.

Last year, Welsh Government published its outline proposals for the Sustainable Farming Scheme (SFS) – the scheme that will replace both the Basic Payment Scheme (BPS) and the Glastir agri-environment scheme from 2025 onwards.

Welsh Government propose three distinct layers based on the principle of Sustainable Land Management (SLM), each supporting farmers to achieve SLM outcomes and rewarding those who choose to do more:

- **Universal Actions**
Delivered by all farmers participating in the scheme who will receive a baseline payment in return.
- **Optional Actions**
More complex, targeted actions relating to specific land or landscape features.
- **Collaborative Actions**
Delivered in a co-ordinated way by multiple farmers or land managers at the landscape, catchment or national scale.

NFU Cymru welcomes Welsh Government's commitment to ensuring the SFS works for all types of farms and the scheme is designed so all farm types can access it, including new and young entrants.

NATIONAL MINIMUM STANDARDS

Alongside the SFS, Welsh Government proposes to introduce a set of National Minimum Standards, which will clarify and consolidate agricultural regulations into one piece of legislation. It is proposed that these National Minimum Standards will be the 'gateway' to the future scheme, meaning that farmers unable to reach this regulatory baseline will be excluded from future support.

Setting the new regulatory floor is a complex process and how it interacts with the new SFS is something that we must get right. If new and young entrants are to flourish, it is vital that the businesses they run are underpinned by an enabling regulatory environment.

RECOMMENDATION:

The SFS must be designed for all farmers irrespective of land tenure. This should be an annual offer based on delivering actions targeted at and supporting the active farmer. Tenant farmers must be able to enter the scheme on an equal footing to their owner-occupier counterparts, irrespective of their tenancy type or duration.

RECOMMENDATION:

Local Authorities must recognise the importance of the Council farm network and should commit to maintaining this resource given the crucial role it plays in facilitating entry to the farming industry for new entrants and young farmers.

RECOMMENDATION:

A long-term, multi-annual commitment to funding is needed that ring-fences, as a minimum, equivalent levels of funding for Welsh farming to those received currently also reflecting the scale of ambition reflected in the policy and inflationary pressures.

More must be done to ensure that the proposed Universal Actions do not disadvantage or present a barrier for scheme entry for farmers, especially new entrants and young farmers.

ACCESS TO LAND

Wales plays host to a diverse and enthusiastic younger farming community, one which is eager to produce high quality, traceable and affordable food for a growing global population. However, land is finite and accessing it – whether it be through succession in existing farm businesses or as a new entrant – remains a barrier to success and one which is becoming increasingly challenging as the number of competing land uses grows.

A long-held NFU Cymru principle is that support should be targeted at the active farmer taking the risks associated with food production. Many new and young entrants to farming enter the industry via the tenanted sector. In Wales over 25% of agricultural land is farmed by people who do not own the land that they farm. The average length of a tenancy has been estimated at 4.48 years with many significantly shorter than this.

We welcome Welsh Governments commitment that the future SFS should be open and accessible to all with support targeted at those delivering against the required animal health and environmental standards. However, more must be done to ensure that the proposed Universal Actions do not disadvantage or present a barrier for scheme entry for those farmers, especially new entrants and young farmers, who do not have long term security of tenure. Ensuring access to the Scheme for the tenanted sector is not only central to the viability of the businesses concerned and for delivery of Welsh Government's objectives, but also enables the Scheme to support and facilitate new entrants.

There are many routes into farming and the Farming Connect Venture Scheme has played an important role matching, supporting and facilitating arrangements between those farmers looking to take a step back with those seeking a route into the industry. Alongside this, many new entrants get their foot on the farming ladder via the Council farm network. However, with Local Authorities under financial pressure the size of the council farm estate in Wales has declined and with it, opportunities for new and young entrants have been lost.

Farm incomes are subject to significant levels of volatility influenced by a range of physical, social and economic factors. The majority of these factors are completely outside the control of the individual farm business. However, this volatility weighs heavily on farm businesses, affecting farmer confidence, impacting on profitability and squeezing cash flow with consequences for on-farm investment in productivity, environmental improvements and the wider rural community.

CASE STUDY

BRYN PERRY

Bryn is a sheep dairy farmer on a council farm in Pembrokeshire. He milks 80 ewes and is also the owner of Ewenique Dairy and founder of Ewenique Spirits.



Every litre of our milk is used to produce our cheese or whey-based vodka, we've also diversified and have alpacas on the farm, producing socks from their fleece. I'd like to expand the business further, but it's a challenge securing access to more land. As a first-generation farmer, our 35 acre county council tenancy was perfect for getting my foot on the ladder and the has given us the perfect platform to start our farming career.

My family and I are the ones taking the risks to produce the food from this farm. Under the new SFS I need to be able to deliver all the proposed Universal Actions that are relevant to me and my farm without breaching my tenancy.



RECOMMENDATION:

SFS should use capital grants to incentivise and facilitate the development of farm businesses with funding made available to fund productivity improvements on Welsh farms. We recommend higher intervention rates be set for young farmers.

RECOMMENDATION:

Welsh Government should explore how they can enable new and young entrants to access finance easier. For example, consideration should be given as to whether Welsh Government could act as a guarantor for loans.

NFU Cymru supports Welsh Government's vision of a global Wales. We see opportunity to grow our exports of food and drink and have set an ambition to grow the UK's food, drink and agricultural exports by 30% by 2030. Improving farming's productive efficiency will enable farmers to produce more from less and in smarter ways.

FINANCING SUSTAINABLE FOOD PRODUCTION AND NET ZERO

Accessing sufficient finance to start and operate a farm business is a major barrier for those new to farming. Limited borrowing history and / or assets to borrow against, means securing credit from traditional lenders can be difficult. This challenge is made more acute given many young entrants enter the industry via the tenanted sector, farming land they do not own.

Against the backdrop of volatile commodity markets and high input costs; insufficient credit places pressure on business cashflow, has negative impacts for on farm investment and ultimately restricts the viability of businesses. Young farmers bring fresh ideas and innovations to the industry often adopting new technology earlier. However, if they cannot access the funds necessary to run successful and profitable businesses, their talents will be lost to the detriment of food production and our net zero ambitions.

Grant funding also has an important role to play and often allows farm businesses to invest in infrastructure or technology which increases productivity but without financial help, may not be possible. This type of investment delivers production and resource efficiencies, which in turn will enable the sector to reduce its greenhouse gas emissions and make a positive contribution to environmental and animal welfare objectives.

Historically many grant schemes have been inaccessible for new farmers, with eligibility requirements too prescriptive and thresholds for the amount the applicant is expected to contribute set too high. In this respect it is important that grant levels are set sufficiently high to encourage take up and given the inflationary economic environment are regularly reviewed throughout the scheme to ensure they remain at appropriate levels.

CASE STUDY

SUSIE MOTTERSHEAD

M & S Mottershead is a third-generation family run dairy farm in the Welsh borders. The farm, which is a mix owned and rented land, milks 310 pedigree Holsteins alongside rearing approximately 50 beef animals.



We have placed calf care firmly at the heart of our business. We've recently built a new bespoke calf shed completely tailored to calf needs, it provides the perfect environment to ensure the health and cleanliness of our youngstock. We are also working closely with our vets to capture key calf data. As a result, we now have stronger, healthier calves which are reaching weaning weights around three weeks earlier. Maintaining momentum to ensure the farm is sustainable and productive for the future is a priority for us. Welsh Grant funding plays an important role in this and as we look to install a new parlour and dairy facility, we continue to have already been able to utilise grant funding to make investment in additional efficiencies possible.

We are also working in collaboration with our vets and a laboratory team to create a bespoke pneumonia vaccine grown from calf lung washes. This bespoke vaccine will enable us to drive down our antibiotic usage on farm drastically whilst also improving on going herd health.



RECOMMENDATION:

Welsh Government should review the Farming Connect Programme, in conjunction with the farming organisations to ensure it is fit for our future generation of farmers.

RECOMMENDATION:

Welsh Government should ensure funding and opportunities for rural Wales to have equal access to high quality STEM education provision, securing the skills that will be required by our farmers of the future. Within this, it is vital that farming in Wales is accurately portrayed throughout the curriculum to ensure misconceptions of agriculture are not formed and a passion for a productive, sustainable Wales is ignited from an early age.

RECOMMENDATION:

Welsh Government should maximise the opportunity for home produced produce within public sector. They should develop new routes for local and SME suppliers and should make a firm commitment that any food procured by the public sector from outside Wales, is only procured from suppliers who can guarantee that their standards match or exceed the National Minimum Standards.

EDUCATING THE FARMERS OF TODAY AND TOMORROW

People are the key asset of any business and investing in them is a vital component in reaching our vision of a productive, progressive and profitable farming industry in Wales.

In addition to formal education, many farmers in Wales actively participate in CPD and are engaged in Welsh Government's Farming Connect Programme of formal training, knowledge exchange and advisory services, alongside industry development activity delivered by the levy bodies.

Welsh Government proposals for SFS place a large emphasis on the role of guidance in the future scheme. NFU Cymru strongly believes that Welsh Government should not advocate advice and guidance to compensate for an overly complex scheme design, particularly at the Universal tier. Whilst there is a question mark about the extent to which advice and guidance makes in securing farm viability, there is a productivity benefit which stems from an incentivised programme of advice and knowledge exchange. There is a clear role for Farming Connect and the levy bodies to play in delivering this, so it is vital that programmes are cost effective, deliver value for money, are industry led and operates where true market failure exists.

NFU Cymru is passionate about working with schools and further education providers to ensure farming is seen as a viable career option and that children are given the opportunity to experience where their food comes from.

Our NFU Cymru Next Generation Group is proof that one size does not fit all and there is no set route into farming. Wales is home to a diverse farming sector and a plethora of career opportunities exist in agriculture and our rural communities. Our next generation of farmers are ambassadors for our industry and can inspire others with their farming stories.

Our Farmers for Schools programme has trained over 150 farmer ambassadors across England and Wales, they speak to teenagers in secondary schools about the people who produce their food and career opportunities of modern farming in the UK.

We also believe it's important to integrate learning about food not only through the curriculum but also through school mealtimes. We believe there are opportunities to look afresh at public sector procurement, to give children in Wales and more broadly the public, the chance to eat healthy climate friendly food produced by Welsh farmers and businesses.

At a time of acute economic insecurity, public sector procurement policies create an opportunity to utilise public spending to invest in the economy, the environment, and the communities who produce the country's food.

CASE STUDY

ERNIE RICHARDS

Ernie currently works as a first generation shepherd near Clyro, managing a flock of 1,000 Pedigree Lleyn ewes.



We place a great focus on flock health and performance. I've been involved with HCC's Stoc+ programme, analysing our flocks health. I'm part of a sheep discussion group with Farming Connect and was part of the HCC Meat Quality project where we undertook a lamb performance trial aimed at improving the productivity of our flock. I have embraced the opportunity to undertake numerous Farming Connect training courses including the Agri Academy and was proud to win the Farming Connect Young Learner of the Year Award in 2021.

I am also passionate about spreading the farming message and engaging with the public. I'm part of the Farmer Time Scheme, set up by LEAF, and through this have regular contact with a group of school pupils showing them every aspect of farming life. I also deliver training on farm safety to local young farmers clubs and am a trained NFU Farmers for Schools Ambassador.



SAFEGUARDING THE FUTURE OF RURAL AREAS

Farming is the bedrock of rural communities. It is inherent to social fabric of Wales, providing both direct and indirect employment

Farming provides a stronghold for the Welsh language and secures the continued application of a broad range of traditional skills which are central to our culture and heritage. Farmers also play a critical role in conserving the genetic resource of Welsh Native breeds of livestock. All of this provides a unique 'sense of place' to the Welsh landscape.

Welsh farmers make a key contribution towards the provision of attractive, viable and safe communities in rural areas. By their very nature, rural communities in Wales are small or in isolated locations. It is often farmers and their families, through community groups, parish councils, local Young Farmers Clubs and volunteer groups, that are at the heart of supporting, sustaining, and facilitating many aspects of

community life in our rural areas.

Safeguards are also required to ensure social justice for rural communities. There are multiple and increasing pressures on land use in Wales, many of which have the potential to diminish opportunities for future generations to access farming. The SFS and wider government policies must not be a driver for widespread land use change into forestry or non-interventionist approaches such as rewilding that will result in the displacement of young people and communities. In this context, NFU Cymru has long called for a decision-making framework to guide land use change decisions so the long-term economic, environmental, social and cultural impacts can be properly assessed.

Welsh Government has recognised the need to provide stability and the proposed Universal Actions will be delivered by all farmers participating in the scheme in return for an annual baseline payment. We believe

the Universal Actions must be achievable on all farms in Wales, irrespective of farming type, tenure, system and location.

In the context of providing stability, the next generation of Welsh farmers also need a stable and well-planned transition from the CAP to a new agriculture policy for Wales. Without this, there is a risk that investment will be undermined, succession plans stifled and young people will look for alternative more secure career paths.

The planning system must also enable the building of new homes to house the next generation of farmers in their rural communities. Many farmers chose to diversify their main farming operations to make the business more resilient, for example operating tourism businesses or farm shops. Therefore, alongside rural housing the planning system must also enable these wider diversification opportunities which help support a thriving rural community.

RECOMMENDATION:

Ensure the Universal Actions are accessible and achievable, irrespective of farm type, tenure, system or location. This stability will underpin the resilience of our family farms and, in so doing, sustain our rural communities, language, culture and heritage.

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Welsh Government should commit to providing a smooth transition to new schemes with at least the same level of stability, as that provided by the CAP, for farm businesses through the Sustainable Farming Scheme.

CASE STUDY

JESSICA WILLIAMS

Jessica farms in partnership with her husband keeping a herd of Welsh Black suckler cows along with a flock of Pedigree Lleyn and cross bred ewes and Welsh Mountain sheep.



We started selling meat boxes in 2021 because we wanted to provide an opportunity for people to purchase meat from native breeds that is born, reared and slaughtered locally. We aim to keep food miles to a minimum and use sustainable products such as wool for insulation of the meat boxes. We've also recently brought beehives to the farm and sell the honey produced on our farm locally.

At Dolaugwyn we are passionate about preserving our native breeds and our breeding stock and genetic material from our farm is exported around the world. We are passionate about providing a future for our family in rural Wales.





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10 ways

**Welsh Government
can support
the next generation
of farmers in Wales**



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