

mae'n wlad i mi
breathe easier



NATIONAL PARKS WALES
Britain's breathing spaces

CAP Reform Team
capreform@wales.gsi.gov.uk

Your Ref:
Our Ref:

To Whom it May Concern,

Re: EU Common Agriculture Policy: 2008 Health Check

The three National Park Authorities (NPAs) in Wales – collaborating as the Welsh Association of National Park Authorities (WANPA) - are grateful for this opportunity to respond to the above consultation.

Background

WANPA is the collaborative body of the three National Park Authorities in Wales and exists in response to the political and policy divergence bought about by the 1999 devolution settlement.

The National Parks have two statutory purposes in the 1995 Environment Act:-

- Conserve and enhance the natural beauty, wildlife and cultural heritage of the National Park.
- Promote opportunities for the understanding and enjoyment of the special qualities of the Park by the public.

In fulfilling these purposes, the National Park Authority has a duty to :-

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- Seek to foster the economic and social well being of the local communities within the National Parks.

The special qualities of the 3 National Parks are recognised and admired both by local residents and external users and the National Park Authorities are rightly regarded as leaders in landscape management.

If you have any further enquiries regarding our response, please feel free to contact me in the first instance.

Yours sincerely,

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

Greg Pycroft
Welsh Policy Officer
Welsh Association of National Park Authorities

Question 1

Why should Wales retain the historic model for the SPS?

Response:

The 3 NPA of Wales believe it was correct to adopt a historical mode in Wales, as the exercise was more to do with the de-coupling of payments than the re-distribution of payments that would have occurred by area payments. However as time passes historical payments appear to be less defensible.

What benefit would Wales derive in moving to a flatter payment rate under the SPS from 2009?

Response:

Moving to a flatter payment rate for SPS from 2009 would provide commercial parity between producers and make planning for businesses, business expansion and new entrants easier. A flat payment could be considered as a further progressive step in de-coupling and more easily understood by land managers as a payment in return for meeting cross-compliance regulations.

If combined with greater modulation to increase funding within pillars 1 and 2 then this would be more justifiable to the general public.

If such a move was made, on what basis should the area payment be calculated i.e. should it be paid as an all-Wales average or should there be a pattern of differential payment as is the position in England? What criteria might determine a differential regime?

Response:

The basis for payments should reflect the Less Favoured Area coupled with other criteria that could include mitigation for climate change especially management of carbon sink – as elements of GAEC have correlation to carbon management. Findings of the 2020 document should be considered.

If a flatter payment rate were to be introduced then the issue as to what land is included would need to be addressed. The English system resulted in a significant number of applications, for example from owners of pony paddock.

Do you have a different proposal?

Response:

In Category V designated landscapes like the Welsh National Parks (and Areas of Outstanding Natural Beauty), the interaction of humans within the environment is an important to their future management.

Ensuring the continued involvement of people within their landscape should be a factor to be considered, especially in the context of halting the decline in the number of people engaged in primary production.

Question 2

What aspects of RDP activity might benefit from increasing the rate of compulsory modulation? How might this be delivered if there was a requirement to reduce national modulation?

The 2020 report has provided recommendations as to how RDP activity might benefit from increased modulation.

Funds should be concentrated on providing a smaller amount of payment to a greater number of applicants, for example, land management activities such as dry-stone walling; rather than spending a significant amount of money on a small number of larger-scale schemes (grants to convert agricultural buildings to office space as happened within previous English Rural Enterprise Scheme).

Schemes should aim to be as efficient as possible to ensure that greater amounts of funding are available for delivery of public benefits on the ground.

Do you agree that it will be important for Wales to retain the flexibility provided by the existing national modulation regime?

Response:

Yes support should be given to retain flexibility.

In addition, the EU regulations should be amended so that member states retain all or a higher percentage of modulated funds.

Question 3

Do you consider that there is a link between farm profitability and size?

Response:

There is a general consensus that in terms of commodity production that this link exists, however some enterprises, depending on the sector and many other issues, are more viable at a smaller scale. For example, larger farms have greater cash needs than smaller ones so need larger profits to be viable. This is a complex issue as larger farms can have greater potential for employment generations and demands for services.

What benefit would there be to Welsh farming from the proposed reductions to the higher receipts under the SPS? What obstacles might such reductions generate to the development of farm businesses?

Response:

Proportionally Wales has fewer recipients in the higher tier. If such a reduction was introduced it would then follow that the development of farm business above these thresholds would have to be based on commercial and/or environmental delivery issues which is consistent with the principle of de-coupling.

If flatter payment rates were introduced on the justification that this is in return for meeting cross-compliance for the public benefit, then there is little justification for capping the higher end payments. Secondly, this would spawn a whole new activity of larger businesses artificially fragmenting themselves in order to fall below any threshold – a waste of effort for all concerned.

Where should the Assembly Government invest the resources made available from the reduction?

Response:

The savings could be considered as part of the modulate funds and used to support RDP activity.

How would a minimum financial and/or minimum qualifying area benefit Welsh farming? What would you consider to be the relevant minimum thresholds that might apply?

Response:

Applying minimum thresholds would be logical in terms of WAG's administration function especially if payments are moving away from the historical basis. Thresholds could be set for both financial and declared area if administrative costs are prohibitive. However, these criteria should not be transferred to RDP activity, as that would potential disable a range of potential contributors to provide for environmental management and wider rural development matters that might have the best sites for achieving these objectives. More details, including typical costs of processing an application, would be needed to be able to comment on a logical lower threshold.

Question 4

What changes would you suggest might be made to the existing cross compliance regime? Of the existing Statutory Management Requirements,

which ones do you consider to be less relevant and why? If new SMRs were to be considered, what areas would you suggest e.g. those relating to climate change issues?

Response:

Greater consistency across EU territories should be applied. However, an ability to reflect national priorities should also be retained e.g. integrated management of carbon and water resources should be strengthened under cross compliance requirements in Wales.

Any review of cross-compliance needs to be considered against the whole purpose of Single Farm Payments. Single Farm Payment should become a basic flat payment linked to meeting cross-compliance, supplemented by increased Pillar 2 grants for the delivery of environmental and other public benefits in the countryside.

These measures may be able to help contribute to implementing the water framework directive. However, this may be better achieved through increasing the resources available through agri-environment schemes.

Question 5

Apart from quota increases, what other measures would you want to see to help the milk sector move smoothly to a quota free regime?

There are certain scenarios where milk and beef production especially within cultural landscapes should be considered for assistance possibly through the RDP.

There is little justification for maintaining milk quotas and there are few problems anticipated for producers within a quota free regime. However, it might be advisable to phase this change by increasing the amount of quota available over a number of years.

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