

Accreditation to go with Glastir Article

This article was originally published in the Environmental Law Review Volume 13 (2011) at pages 9-24.

Implementing Sustainable Development for the Countryside: A Case Study of Agri-environment Reform in Wales

Angela Davies-Jones*

Keywords: Farming in Wales, less favoured areas, Common Agricultural Policy, EU Rural Development Regulation; Rural Development Plan – Axis 2, sustainable development, agri-environmental schemes, land management, Glastir

Abstract: The paper examines the potential implications of the Welsh Assembly Government's decision to restructure the funding of agri-environment schemes in Wales with the proposed introduction, from 1 January 2012, of the new All Wales Glastir Sustainable Land Management Scheme. The research on which this paper is based was initiated in January 2010. It involved a selection of farmers from one Welsh county, Montgomeryshire, being engaged, aimed at establishing how the change to Glastir will impact upon their farming businesses and practices and, ultimately, the achievement of a sustainable agricultural industry. Montgomeryshire, which is set in the heart of Wales, is typified by the traditional family farm, being an important structure for achieving sustainable agriculture. The research concludes with a stark warning that Glastir may not be 'fit for purpose' and that the Welsh Assembly Government should reconsider its decision.

BACKGROUND

The Common Agricultural Policy (CAP)¹ is now a system of European Union (EU) programmes and subsidies, which is demand driven, taking into account consumers' and taxpayers' concerns while affording farmers the freedom to produce what the market requires.

The CAP has been divided into two 'pillars':

1. The **European Agricultural Fund for Guarantee** – focusing on direct payments to agriculture (food production support).
2. The **European Agricultural Fund for Rural Development**² – focusing on rural development. It created a single fund and a single set of rules for rural development.

* LLB, LLM (Aberystwyth University), Solicitor, Director of Milwyn Jenkins and Jenkins.

1 This has been described as a policy which gave 'subsidies for destruction' (M. Shoard, *The Theft of the Countryside* (Maurice Temple Smith Ltd: London, 1980) 21) and described by *The Economist* (1990) at 15 as 'the single most idiotic system of economic mismanagement that the rich western countries have ever devised' (in B. Jack, 'Economy and Environment: Shaping the Development of European Agricultural Law' [2001] 2 *Web Journal Current Law* 1 (Blackstone Press Ltd), available at <http://webjcli.ncl.ac.uk/2001/issue2/jack2.html>).

2 Governed by the Rural Development Regulation 2007–2013, Council Regulation (EC) No. 1698/2005 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) OJ2005L277/1. See C.P. Rodgers, 'Rural Development Policy and Environmental Protection: Reorienting English Law for a Multifunctional Agriculture' (2009) 14 *Drake Journal of Agricultural Law* 259–289.

The UK has played a significant part within the EU in promoting environmental reforms with implementation in the UK being made at the devolved level, resulting in Wales, Scotland and England having different agri-environment schemes and approaches.

THE CAP IN WALES

Since 1997, the CAP in Wales has been implemented on a regional level after the Welsh Assembly Government (WAG) was given power³ to oversee agriculture. Such devolution of powers has enabled the WAG to implement regulatory measures and schemes appropriate to the type of agriculture and landscape prevalent in Wales,⁴ resulting in a more 'focused' approach. The WAG has power to discuss and create secondary legislation in a number of key areas, including agriculture. It is an executive form of devolution and the WAG has played an important role in developing agricultural law and policy, designed and adapted to meet the needs of Wales.

The WAG has a statutory duty to consider sustainable development, which forms part of the WAG Minister's⁵ responsibilities, and the work carried out by Committees that undertake detailed policy development and scrutiny work in this area.⁶ The WAG is required to compile a scheme explaining how it will promote sustainable development in its everyday work.⁷ After each ordinary election of the WAG, a report assessing the effectiveness of its proposals to promote sustainable development must be published.⁸ The Mid Term Review⁹ is an example of where Wales has implemented the Single Farm Payment (SFP) Scheme¹⁰ on an historical basis, whereas other regions of the UK adopt a very different approach.

The WAG delivers its activities under the EU Rural Development Regulation¹¹ under the Rural Development Plan (RDP), which was approved by the EC on 20 February 2008. It secures EU funding from the European Agricultural Fund for Rural Development

3 Government of Wales Act 1998, with further devolution of powers having been given under the Government of Wales Act 2006, which came into effect in May 2007. Under the Government of Wales Act 2006, the WAG is able to make legislation under the Measures of the Assembly for Wales (or Assembly Measures). Legislative competence can be sought through clauses in Parliamentary Bills or through an Order in Council procedure in the Government of Wales Act 2006 – s.95. Both Houses of Parliament have the opportunity to propose amendments to the clauses to Parliamentary Bills conferring legislative competence on the WAG. This, therefore, means that the UK Parliament has the final say on how much additional legislative competence is to be bestowed on the WAG by any particular Bill. An Order in Council proposed by the WAG requires agreement with Whitehall as to the scope of the legislative competence sought; pre-legislative scrutiny by relevant committees, the WAG and Parliament; the Secretary of State's approval and the formal name of the draft of the Order in Council before the WAG and both Houses of Parliament for approval. Once legislative competence has been given to the WAG to make such measures, decisions on a specified matter – which can be described as a topic and will have to relate to one of the 20 fields or subject areas of devolved Government listed in Schedule 5 of the 2006 Act – can be made. Such competence has enduring effect and will be added to the matters under the relevant devolved fields.

4 For example, Wales has mainly small family farms within Less Favoured Areas.

5 Welsh Assembly Government Minister for Rural Affairs.

6 Government of Wales Act 1998, s.121.

7 Ibid., s.121(1).

8 Ibid., s.121(7).

9 Being a set of reforms of the EU CAP adopted by the EU Council of Ministers.

10 This came into force on 1 January 2005. It replaced the various arable and livestock payments previously made to farmers.

11 Council Regulation (EC) No. 1698/2005, above n. 3. For the wider policy background on this and agri-environment schemes within Pillar 2 more generally, see B. Jack, *Agriculture and EU Environmental Law* (Ashgate: Farnham; Burlington, VT, 2009) Chapters 4 and 5.

(EAFRD), being a ring-fenced amount from Structural Funds and Receipts from Compulsory Modulation.¹² The activities permitted under the RDP are:

- A. **Axis 1** – Increasing the competitiveness of the agricultural and forestry sectors through support for restructuring, development and innovation.
- B. **Axis 2** – Enhancing the environment and the countryside through support for land management as well as helping to fight climate change.
- C. **Axis 3** – Improving the quality of life in rural areas and the diversification of the rural economy.
- D. **Axis 4** – Adopting the LEADER¹³ approach for community regeneration.

The overall projected spend for the RDP is estimated at approximately £795m for the period 2007–13, of which some £195m comes from the EU.¹⁴ Part of the approach to agricultural policy has been to switch the emphasis of policy towards strengthening the rural economy as a whole. How this is done in Wales is considered in the next section.

SCHEMES CURRENTLY IN PLACE UNDER AXIS 2

The current rural development schemes in Wales¹⁵ have been formulated taking into account the nature of Welsh farming – typified by the traditional Welsh family farm structure. Such schemes are voluntary¹⁶ and, although voluntary schemes have been characterised as a ‘triumph’ for land-owning interests,¹⁷ they encourage farmers to embrace the ethos of nature conservation and landscape protection without being obliged to do so. People generally respond better to incentives than coercive measures.

A particular approach to land management requires the continuing commitment of those on the ground and this is best achieved by obtaining their willing co-operation ... The negotiation between the landowner and the State is characterised by freedom of contract.¹⁸

A contractual approach enables the targeting of aid to projects that offer the best environmental potential for the enhancement and restoration of farm land habitats and wildlife species, for example, by requiring farmers to submit bids for contracts according to the environmental ‘goods’ to be purchased.

Various schemes operating in Wales are due to be replaced on 1 January 2012 by an all-encompassing new scheme, ‘Glastir’. There now follows a brief examination of these schemes.

12 Originally a discretionary (but since 2005, compulsory) EU mechanism through which deductions in the CAP Single Payment made to farmers transfer funds to support rural development activity. The amount allocated to each Member State varied according to criteria such as the size of their agricultural area, their levels of agricultural employment and their gross domestic product (Regulation 1782/2003, Article 10(3)).

13 Based in and led by the local community, this initiative is aimed at supporting rural communities in development and diversification.

14 Available at <http://wales.gov.uk/topics/environmentcountryside/farmingandcountryside/?lang=en>.

15 Delivered under Axis 2 of the RDP for Wales 2007–13.

16 Contractual arrangements rely upon voluntary participation with reference to the environmental ‘goods’ and services offered.

17 T. Marsden, J. Murdoch, P. Lowe, R. Munton and A. Flynn, *Constructing the Countryside* (University College London Press: London, 1993) 95.

18 Nicholas Herbert-Young (ed.), *Law, Policy and Development in the Rural Environment* (University of Wales Press: Cardiff, 1999) 56.

Tir Mynydd

Tir Mynydd (TM)¹⁹ (being a compensatory measure to recognise the additional costs and income foregone associated with farming in marginal areas) is being recast as an environmental land management scheme. It is a multiple objective scheme with a socio-economic focus, whilst at the same time pursuing environmental objectives. Approximately 80 per cent of the total 1.6 million hectares of agricultural land in Wales fall within the designated Less Favoured Area (LFA); 56 per cent of the land in Wales is in the Severely Disadvantaged Area (SDA) and 23 per cent in the Disadvantaged Area (DA). The scheme's objective is to support and maintain upland livestock (sheep and beef but excluding dairy) production in the LFAs, in order to avoid land abandonment and rural depopulation.

Although TM does not, by its design, guarantee any environmental outputs or differentiation between the levels of environmental outcomes being delivered, there is an environmental incentive giving producers a 10 per cent uplift if they ascribe to an environmental management plan. However, it is arguably an additional income support payment (along with the Single Farm Payment (SFP)) that only accidentally secures environmental gains.

Tir Cynnal

Tir Cynnal (TC)²⁰ is an entry-level agri-environment whole farm scheme,²¹ providing a critical first step on the agri-environment ladder. It gives Welsh farmers greater opportunities to protect areas and features of environmental importance on their land in return for payment. Its objectives are to prevent loss of biodiversity by protecting wildlife habitats and important landscape features, in addition to safeguarding the archaeological and historic environment and helping to protect and improve the quality of water, soil and air by reducing pollution. The land subject to the agreement (lasting for a minimum period of five years) must consist of at least three hectares. Farmers are required to complete three management plans for their farms including a resource, soil and manure management plan.²²

The scheme has created a number of benefits by allowing more farmers into agri-environment with larger areas of land being brought into environmental protection more quickly, with increasing funding being available to farmers in Wales who are paid for action that benefits the environment. Annual payments are based on the number of hectares (irrespective of land type) under the agreement. The scheme helps farmers to meet cross-compliance requirements and has been seen as a stepping-stone for farmers who aspire to join Tir Gofal (TG).

19 See the Tir Mynydd (Wales) Regulations 2001, the Tir Mynydd (Wales) Amendment Regulations 2002 and the Tir Mynydd (Wales) (Amendment) Regulations 2005.

20 See the Tir Cynnal (Wales) Regulations 2006 (SI 2006, No. 41).

21 Introduced in 2005.

22 The plans must be updated annually to reflect any changes in farming systems. They are useful on a farm level by pointing out areas that could be problematic under cross-compliance as well as highlighting overuse of fertiliser on some fields. Farmers in the scheme must maintain an interest in the land for the period of the scheme and are obliged to comply with the provisions of the code of good farming practice, in addition to extra conditions imposed by the scheme.

Tir Gofal

TG²³ is an all-Wales agri-environmental scheme. TG agreements are for 10 years with a break clause allowing either party to withdraw from the agreement after five years.²⁴ They reward farmers for caring for the wildlife, historical and cultural features on their land. The scheme is designed to support the farming community in protecting the rich heritage of rural Wales, reflecting the WAG's priorities for a sustainable farming industry. It creates wider opportunities for public access and enjoyment of the countryside and helps to protect and improve the quality of water, soil and air by reducing pollution.

TG's overall objective is to provide for the protection of existing semi-natural vegetation and habitats, while also providing for habitat improvement and restoration where possible, and the protection of landscape and archaeological features. It has been a popular agri-environment scheme, with many demonstrable environmental benefits,²⁵ and which also demonstrates clear socio-economic benefits to the rural economy.²⁶

Although TG does not specifically include social and economic issues as key programme objectives, agri-environment schemes are implicit in their support of agricultural economies reflecting an understanding of the defining relationship between farming and the rural landscape character. Diversification of farming, to include habitat and landscape conservation, has wider outcomes through its support of the farmer's livelihood, which assists in keeping farming communities together. The requirement for countryside skills within TG improves employment prospects in the area.

Organic Farming Scheme

The Organic Farming Scheme (OFS) is an agri-environment scheme which provides funding to farmers and land managers who deliver effective environmental management of their land. The conversion scheme offers payments to Welsh farmers to aid them in converting to organic farming and maintaining their organic status.²⁷ The scheme seeks to deliver quality food, fibre and other products in an environmentally, socially and economically sustainable way.

23 Introduced in 1999. See the Land in Care (Tir Gofal) (Wales) Regulations 1999 (SI 1999, No. 1176) as amended by the Tir Gofal (Wales)(Amendment) Regulations 2006 (SI 2006, No. 1717).

24 The scheme operates with three different types of payment. There is a standard 'whole farm payment' to support the farm in meeting a basic and standardised code of management practice. Grants are available for the management of existing habitats and environmental features and for establishing and managing new habitats and features. Specific prescriptions are designed to deliver environmental benefit on the farm for any land. For any land that is classed as a habitat, certain agricultural management practices are not permitted (e.g. ploughing and re-seeding). Permissive access for the public to land is funded in areas where it is safe and environmentally sound, through the creation of permissive footpaths, bridleways and cycle paths. Capital grants are payable for work linked to TG objectives – e.g. restoration of stone walls and hedgerows, fencing off woodlands and hedgerows, creation of new landscape habitats and features (e.g. new wetlands, new woodlands, replanting of orchards and parkland landscapes).

25 For a case study of environmental land management delivered by Tir Gofal and aimed at securing nature conservation objectives see, C.P. Rodgers, E. Straughton, A. Winchester and M. Pieraccini, *Contested Common Land: Environmental Governance Past and Present* (London: Earthscan, 2010) Chapter 8.

26 Research by Agra CEAF for CCW on the socio-economic value of Tir Gofal (2005). The research found that the scheme supported farm incomes, safeguarded farm employment and created new jobs in local communities.

27 Organic farmers do not use energy intensive artificial fertilisers, thereby requiring only half the energy of industrial agriculture to produce food. Pesticides too are very restricted, with organic farmers avoiding the use of almost all the 447 pesticides allowed in the UK. Organic farmers have a high priority for animal welfare with the behavioural needs of animals always put first. Veterinary drugs are restricted and farmers are required to ensure that animal feeds are free from GMOs or other substances that may be harmful.

Organic farming makes a positive contribution to the reduction in global warming, having the potential to curb greenhouse gas emissions by locking up more carbon in the soil.

Better Woodlands Wales

This scheme is designed to assist a range of woodland activities – for example, access improvement, management planning, planting, environmental improvement and recreation. It offers grants specially designed for Welsh woodlands. Grant aid is based on an approved long-term management plan which must meet the minimum standards under the UK Woodland Assurance Scheme.²⁸

CONCLUSION

With the advent of schemes under which landowners tender to be admitted into agri-environment programmes who participate by reference to environmental ‘goods’ offered, aid has been targeted to projects offering the best environmental potential for farmland habitats and wildlife species to be enhanced and restored (for example, TG). Such a contractual approach, which rewards farmers who provide an environmental service going beyond the observation of basic environmental standards, ‘screens out’ situations where an agreement would offer no tangible environmental advantage. It entails participation where there is a defined and measurable environmental ‘good’, demonstrating value for money to the taxpayer.

Elin Jones²⁹ announced on 5 May 2009³⁰ an intention to introduce a new land management scheme from January 2012. The existing schemes³¹ are to be replaced by Glastir, which is intended to respond to the challenges set out in the 2008 Health CAP Check³² – climate change, energy policy and in supporting existing policies on sustainable water management and protecting biodiversity.

GLASTIR – A NEW SCHEME FOR WALES

BRIEF RESUME OF THE PROPOSED CHANGES

Glastir³³ is a whole farm scheme and, to be eligible, applicants must have:

- 28 In May 2009, an additional streamlined process was introduced to the BWW grant scheme, designed for farmers and owners of small woodlands who are keen to have an introduction to woodland management (BWW Smallwoods). This strategy aims to encourage an increase in native and mixed woodlands and bring more native woodlands into active management. Under the BWW Smallwoods scheme, the total woodland holding must not exceed 20 hectares and can include both new woodland planting and managing their existing woodland. The minimum scheme area is 0.25 hectares. Woodlands previously managed under the Forestry Commission’s Woodland Grant Scheme can also enter BWW Smallwoods. All existing BWW grants are available under BWW Smallwoods.
- 29 Welsh Assembly Government Minister for Rural Affairs
- 30 Following consultation issued in September 2008; the consultation paper set out the challenges and opportunities presented to farming by climate change, carbon capture, water management and biodiversity. WAG Cabinet Statement, ‘Oral – Wales Rural Development Plan: Axis 2 Review’, 5 May 2009, available at <http://wales.gov.uk/about/cabinet/cabinetstatements/2009/axis/?lang=en>.
- 31 Tir Gofal, Tir Cynal, Tir Mynydd, Organic Farming Scheme and Better Woodland Wales.
- 32 Agreed by the European Council during November 2008. It sought to promote a wider role for rural development measures.
- 33 Being the new sustainable land management scheme for Wales replacing TG, TC, TM, OFS and BWW from January 2012 with transitional arrangements in place until 2014. The spend forecast for 2012 and 2013 is £89 million per annum, which will include some administrative costs.

- (a) at least three hectares of IACS registered land, and
- (b) full management control of the land for the five-year contract period.

The scheme has five parts:

- All-Wales element;
- Targeted element;
- Organic Farm Conversion Scheme (OFCS);³⁴
- Agricultural Carbon Reduction Scheme (ACReS);³⁵ and
- All-Wales Common Land Element – available to farmers who hold rights on common land who have joined together to establish a grazing association, which must be established by 1 January 2012.³⁶

There are two main elements to the scheme:

1. **The All-Wales element** This provides an entry-level management scheme allowing more farmers and larger areas of farmland to be brought under land management than is currently the case. It is intended to provide support for farmers to protect wildlife habitats and landscape features. It is a whole farm scheme with land within Glastir being subject to compliance with a set of Whole Farm Code requirements.³⁷

Farmers having an All-Wales Element Glastir contract will be able to access an additional funding source (ACReS), which provides capital grants for energy efficiency improvements and the purchase and installation of some renewable energy technologies on eligible farms. There will also be targeted support for providing educational and permissive access. Grant assistance will be available for capital works that are undertaken to improve manure and slurry handling and to mitigate diffuse pollution within nitrate-vulnerable zones. The rest of the proposed catchment sensitive farming schemes will now become part of the targeted element of Glastir.

2. **The Targeted element** Farmers having an operational element Glastir contract will be able to apply for entry into the Targeted element, with three main areas of focus: (a) soils and carbon management, (b) water management, and (c) the management of biodiversity.

Although there will no longer be a dedicated measure for the LFA, there will be a 20 per cent premium for all LFA farmers entering the All-Wales Element of Glastir which will

³⁴ The OFCS is a whole farm scheme available to farmers in Glastir's All-Wales element.

³⁵ Grants of £3,000 to £50,000 will be available with support targeted towards offsetting costs for existing large energy users – not supporting diversification to energy production; 40% grant towards capital investment in energy efficiency improvement, rainwater collection, woodchip production and renewable energy technologies.

³⁶ That is, by the time the Glastir contract becomes active. The grazing association application for Glastir must include a minimum 80% of active graziers who hold at least 80% of all grazing rights on the commons. To be eligible, they must ensure that all the common land is registered with the WAG, have a minimum of three hectares of eligible land, avoid causing environmental damage of a kind that would contravene the Glastir scheme conditions prior to entry into the scheme, agree to undertake one of the management options on the land that they wish to enter into the scheme, and the WAG will only contract with sole graziers or established grazing associations on multi-grazing commons. The grazing association must assume responsibility for the whole area of the common.

³⁷ Farmers will be able to select from a range of management options designed to deliver against various challenges and priorities (the key outcomes being biodiversity, landscape, climate change, water quality, soil protection, historic and genetic diversity) and to meet the business needs of the farm.

include all dairy farmers.³⁸ A flat-rate payment, with no differentiation between SDAs and DAs, will be made. All holdings certified as wholly organic will be eligible for a 50 per cent allowance on a points system which all applicants have to satisfy to enter Glastir, recognising the environmental benefits delivered by organic farming practices. There will also be an organic conversion support included within Glastir. Sustainability is key to the development of this new scheme.

The WAG will not be able to pay SFP to one person and an agri-environmental scheme payment to another person in respect of the same piece of land. On entry to the OFCS in 2010 or Glastir in 2012, only one farmer who can demonstrate full management control of the land can claim any scheme on a parcel of land at any one time. If a tenant farmer rents various parcels of land throughout the year and claims SFP, he can only continue to claim if he has full management control of the land that is rented and claimed for. If a landlord of any of the parcels of land retains management control and claims Glastir or OFCS, there is a dual-use conflict. A grazier will not be deemed to have management control over land for the duration of the agri-environment scheme unless he has a tenancy of five years or more. This will prevent the land owner claiming Glastir while his short-term grazier claims SFP, even if the grazier owns or has traditionally claimed the entitlement because of letting agreements being for less than five years. To overcome this problem, a longer tenancy agreement could be entered into but this may not suit many landlords. Although Glastir may be open to all businesses, less land may enter environmental management schemes in the future. Glastir, which goes against the grain of flexible and expanding farm development for the future, will result in significant upheaval to landlord and tenant arrangements, with potential financial and tax implications requiring professional advice, entailing additional costs.

Glastir has received a mixed response from interested parties. RSPB Cymru hailed its announcement as a momentous decision with the potential to pull Welsh farm wildlife back from the brink, securing the future of declining farmland birds – yellow hammers and tree sparrows, for example.³⁹ The Environment Agency in Wales welcomed the announcement in helping to secure a financially viable farming industry and a better environment.⁴⁰ The Countryside Council for Wales⁴¹ expressed the view that Glastir would target resources more effectively when managing ecosystems services with farmers receiving payments to improve, for example, the quality of water resources, reduce flood risk and ensure that soils continue to function as carbon stores rather than sources of greenhouse gas emissions.

Glastir was also met by a deluge of criticism from NFU Cymru,⁴² who stated that a viable profitable upland farming industry delivers a number of social, economic and cultural benefits, as well as the primary role of food production and protection of the environment and fragile landscapes. However,

38 Who are currently excluded from receiving LFA payments.

39 Dr Tim Stowe, Director of RSPB Cymru, available at <http://www.rspb.org.uk/news/details.asp?id=ttm:9-216656>.

40 Steve Dube, Western Mail, 'Glastir brings radical change in management of Welsh Farmland', 12 May 2009, available at <http://www.walesonline.co.uk/countryside-farming-news/farming-news/2009/05/12/>.

41 Chairman of the Countryside Council for Wales, John Lloyd Jones, the Royal Welsh Agricultural Society website, available at <http://www.rwas.co.uk/en/society/news/-6000-prize-money-for-rwas-countryside-council-for-wales-award-winners>.

42 'Act in haste – repent at leisure says NFU Cymru', 30 November 2009, available at http://www.nfu-cymru.org.uk/news_full.php?nid=1538.

this cannot be achieved without the recognition by the Welsh Assembly Government that there are additional costs associated with achieving what society expects and needs from the uplands of Wales.⁴³

The FUW expressed fears that major changes face the farming industry and that the colour and quality of the hills are controlled by farmers who are the true custodians of the countryside. A large number of members waiting to enter the TG scheme would feel that they had had the door slammed in their face. The FUW also felt that for those who farm on common land, securing an agreement could be a major problem.⁴⁴

Graig Producers⁴⁵ urged Elin Jones to reconsider the funding regime for Glastir as ‘controversial new funding arrangements threaten to decimate the income of many family farms and jeopardise the wildlife habitats created by a decade of environmentally friendly farming’.⁴⁶

As helpful and interesting as it is to ascertain the views of those closely associated with the agricultural industry, the decision was made to research the views of those directly affected by the change. During January 2010, a cross-section of Montgomeryshire farmers was approached to establish how they feel the change will affect their businesses and practices and, ultimately, the achievement of a sustainable agricultural industry in Montgomeryshire.

WHAT ARE THE FARMERS VIEWS?

Sixty farmers from Montgomeryshire were contacted through the NFU, FUW, YFC, firms of chartered surveyors and an abattoir. They were randomly selected and were sourced from a wide range of farming enterprises (upland/lowland, organic, non-organic, sheep, beef, dairy, cereal, arable, poultry, pigs, horses and red deer); working full-time or part-time with a whole range of farm sizes and types of tenure (freehold, leasehold, common land and short-term grazing). It is acknowledged that the research involved a small sample of farmers (with 49 out of 60 responding), derived from one Welsh county. However, the value of the research lies in the insight it gives to real experiences within the Montgomeryshire agricultural community.

Qualitative and quantitative data was collated from the 49 farmers through the use of semi-structured questionnaires, combined with a focus group and one-to-one meetings. The collated data was manually analysed, using the following method:

1. **Coding** – data was classified into themes and analysed where those themes were mentioned and the frequency of their inclusion within the discussions that took place and written comments received.

43 John Owen, ‘Wales Uplands vital for landscape and tourism’ 2 October 2009, available at <http://www.newswales.co.uk/?section=Agriculture&F=l&id=17727>.

44 Marian Jones, ‘FUW dismayed at the scrapping of Tir Mynydd Payments’, available at <http://www.fuwdenbighshire.northwalesblogs.co.uk/2009/05/> (6 May 2009) (accessed 18 February 2011); Marian Jones, ‘FUW leader condemns scrapping of Tir Mynydd agri-enviro scheme’, available at <http://www.fuwdenbighshire.northwalesblogs.co.uk/2009/06/> (16 June 2009) (accessed 18 February 2011); Gareth Warn, President, Farmers’ Union of Wales, ‘Welsh hill farming contributes to cutting carbon emissions’, 12 December 2009, available at <http://www.fuw.org.uk/read-press-release/items/welsh-hill-farming-contributes-to-cutting-carbon-emissions.html>.

45 A marketing group representing 700 organic livestock producers throughout the UK including 350 in Wales.

46 ‘Worries that cuts will hit farms and wildlife’, *The Farmer*, October 2009.

2. **Content analysis** – to identify themes, concepts and feelings.

Legal and ethical guidelines were strictly adhered to – ensuring anonymity, privacy and confidentiality. Informed consent was obtained from participants who were made fully aware of the purpose of the research, what was involved, the consequences of participation, what use would be made of the information provided and the issue of data storage.

The research showed that Montgomeryshire farmers participate in a variety of combination of farming enterprises, showing an unwillingness to rely on one source of income, indicating the varied and self-sufficient nature of small Welsh family farms. Some have diversified into alternative enterprises to boost their farming income – for example, wind turbines (combined with sheep grazing).

The vast majority participate in an agri-environmental or rural scheme, with most being in TM (and, in particular, within the SDA⁴⁷).

Financial gain was the main incentive for participating in any agri-environment scheme (followed by ‘environmental enhancement’ and ‘environmental protection’) but, for the majority, financial gain proved to be second to last in terms of the benefits of participating in such a scheme (less work being the least important benefit).

Some farmers had been waiting to enter the TG scheme when the Glastir announcement was made, having done preparatory work, and they expressed discontent regarding the withdrawal of TG.

The level of participants’ understanding of Glastir was low (with no age trend) but full-time farmers believed they understood the change to Glastir better than did part-time farmers. However, of those who admitted to having a poor understanding of Glastir, the majority were full-time rather than part-time farmers.

Farmers obtained information about Glastir from a variety of sources, but mainly through the WAG and particularly through its magazine, *Gwlad*. Given such a low level of understanding amongst the majority, this is a worrying result and seems to cast doubt on the WAG’s efforts in raising awareness and engaging with farmers on such an important issue.

The majority thought that payment levels under Glastir would be lower, although a few acknowledged that there may be winners and losers.

Farmers felt that Glastir would be less easy to administer and more-time consuming than the current system.

Such perceptions against the background of a low level of knowledge implied mistrust of the WAG regarding its long-term ‘agenda’ for the future of payments.

Although some were uncertain, the vast majority of farmers indicated an intention to apply for a Glastir contract. Financial gain was the main driving force, with environmental enhancement and protection lagging some distance behind in second and third place.

47 The average size of farms situated within the SDA was 145.322 hectares and the average size of farms in the Disadvantaged Area was 92.148 hectares.
The average size of farms within the TC scheme was 108.166 hectares.
The average size of farms within the TG scheme was 170.230 hectares.
The average size of farms in the OF was 186.40 hectares.

When asked about their feelings about Glastir, there was a high level of negativity, followed by uncertainty and indifference, with few positive messages filtering through. The majority, however, felt that Glastir would have a detrimental effect upon the environment, with the contribution by farmers being fundamental in maintaining and improving the countryside. The consensus was that the farmers' voluntary efforts cannot be taken for granted. In order to invest in the environment, farming has to be viable. Without adequate financial support, farmers may be unable to continue to farm, leading to lost skills, neglected land with environmental and other implications far beyond the farm gate – for example, less money for the local economy, rural depopulation (with young people being forced to move away, never to return), and a corresponding threat to the Welsh tourist industry, culture and language.

Less intensive farming with less food production, at a time of an increase in world population,⁴⁸ was identified as a concern by some farmers, with too much focus on the environment, the fear being that overall husbandry will be affected. Others felt that, to be financially viable, they would need to increase stock, with health implications in terms of pesticide contamination or an increase in diseases.

A number of farmers admitted that, although they were very concerned about the future if Glastir is introduced, they felt unable to formulate any reasons for this because of delays in producing information on the part of the WAG.

Only five farmers thought that Glastir may produce some benefits and identified simplification of operation and environmental advantages, such as payment towards hedging, fencing and tree planting.

With Glastir, farmers seek 'less red tape', 'less restriction', an easily understood scheme, practical, efficient, easy to administer and workable at farm level. Financial incentives figured high with suggestions being made for more financial help for young entrants into agriculture and capital grants for investing in wind turbine/hydro turbine systems. There was support for continuation of the TG scheme details, which had been successful and popular with farmers. Many farmers felt that TM should continue or that Glastir should provide an efficient delivery of funds to them, fully recognising the handicaps of farming in the uplands. Some seek greater woodland management options, increased finance to improve the quality of wildlife habitats and greater emphasis on old rural crafts (hedge-laying and stone walling). There was also a call for accommodation for the use of 'short-term grazing arrangements' with the keeping and ownership of livestock forming part of the eligibility criteria for Glastir. Some farmers stated that they should be paid more and that there should be 'less people sat in offices pushing paper around'. Such criticism brought together two real concerns held by the vast majority of farmers – bureaucracy, which they would find burdensome, and reduced income, with economic viability being seen as crucial to achieve a sustainable agricultural industry.

Farmers felt positive or uncertain, in equal numbers, regarding the future of agriculture in Montgomeryshire. Farmers who did not believe that Glastir will achieve environmental,

48 With the world facing a potential crisis in terms of food security, there is a challenge to produce and supply sufficient safe and nutritious food in a sustainable way for a growing global population projected to reach between 8 billion and 10.5 billion by 2050: 'World Population Clock – Worldometers' available at <http://www.worldometers.info/population/>; 'International Database – World Population', available at <http://www.census.gov/ipc/www/idb/worldpopinfo.php>.census.gov.2010-06-28; Population Division, Department of Economic and Social Affairs of the United Nations Secretariat, 'World Population Prospects: the 2008 Revision', *Population Newsletter*, 87, June 2009, available at http://www.un.org/esa/population/publications/popnews/Newsltr_87.pdf.

economic or social viability justified their opinions with unanimous criticism of the WAG for failing to release specific details of the conditions of entry and higher level elements of Glastir, thereby rendering them incapable of assessing whether the scheme is capable of meeting such objectives.

The majority were extremely concerned that, under Glastir, the economic future will be bleak, with adjustments having to be made to their businesses in terms of diversification: letting ground or buildings; selling; growing more crops; reviewing short-term grazing arrangements. They participate in schemes because it is to their economic advantage to do so and the payments received find their way into the local economy. Less income for them would have a detrimental effect on the sustainability of rural communities. There must be sufficient income in the uplands to act as an incentive for the retention of young entrants into the industry, to avoid rural depopulation.

Several farmers thought that there will be increased paperwork, which they would find burdensome, and questioned the merits of considering the scheme. The consensus was that, without a continuation of the current level of funding, farmers may not be able to continue to farm.

As to how farmers perceive that Glastir will affect agriculture in Montgomeryshire, the unanimous view was that, unless economic viability can be guaranteed, environmental and social viabilities will fall by the wayside, placing the future of the renowned livestock production area of Montgomeryshire in jeopardy.

SOME CONCLUSIONS

What conclusions can be drawn from the research data generated by the empirical research? The research resulted in data being gathered from 49 farmers – a relatively small sample. This research showed that such farmers undertake varied farming enterprises within Montgomeryshire – a Welsh county typified by the traditional family farm. Although care needs to be taken in drawing definitive conclusions from such a relatively small sample, the research offers a clear ‘snapshot’ of the farmers’ views regarding the current schemes and how they perceive Glastir will affect not only their businesses but the future of farming in Montgomeryshire.

The agricultural sector is multi-functional (Romstad, 2002;⁴⁹ Banks and Marsden, 2000⁵⁰), with Montgomeryshire being no exception: it does far more than produce food. A large number of businesses rely upon farming for support; these include tourism, recreation and amenity, forestry, animal feed and agricultural supplies. Farming contributes to the local and wider economies, enhancing opportunities for other businesses and contributes to the social fabric of rural communities. The landscape and countryside of Montgomeryshire – with its hills, rivers, woods and valleys – assist in defining the national farmland character of Wales. The county contains important sources of water (accumulation and supply – Clywedog Dam and Lake Vyrnwy), carbon sequestration by trees and soil, and wildlife, not forgetting a repository of its language, culture and various skills, which are essential for maintaining this special heritage (for example, hedging, shepherding, stone

49 ‘Multifunctionality’ in agriculture provides several public goods, as bi-products to its commodities’: E. Romstad, ‘Policies for Promoting Public Goods in Agriculture’, paper presented at the 10th Congress at EAAE, 28–31 August 2002, Zaragoza, Spain.

50 J. Banks and T. Marsden, ‘Integrating Agri-environment Policy, Farming Systems and Rural Development: Tir Cymen in Wales’, *Sociologia Ruralis*, 40 (4), October 2000, 469: recognising the multi-functionality of agriculture – the provision of food, environmental management and quality.

walling and general land management). Farming and its associated industries form the keystone of the rural communities in Montgomeryshire.

Economically healthy farm and non-farm businesses provide the population, income and tax bases that are so important for the sustainability of rural communities.⁵¹

One clear and consistent message has emerged: money makes the Montgomeryshire countryside go round. Farmers have participated in the existing schemes primarily for economic reasons, a conclusion consistent with previous research which has been done.⁵² Although the majority of farmers indicated an intention to apply for a Glastir contract, it has to be remembered that, at the time of the research, they were only required to *express an interest* in Glastir, with *no commitment* to enter the scheme. As the main motivation is financial, to enable there to be widespread uptake the scheme will need to be sufficiently remunerated to be attractive.

The WAG was remiss in failing to provide details of Glastir in sufficient time to enable farmers to plan their businesses, yet fully expecting commitment and enthusiasm for Glastir. A golden thread running through the farmers' responses was lack of confidence in the WAG.

The Montgomeryshire farming community generally felt that Glastir will have a detrimental effect on their businesses and farming practices. Financial concern ranked high with farmers understandably being protective of their income sources. The vast majority of farmers were in the TM scheme.⁵³ Such payments are a vital source of regular income, ensuring the continuation of livestock farming in the LFAs with cross-compliance requirements attached. The TM scheme was based on straightforward, long-established handicap criteria, involving minimum bureaucracy, ensuring an efficient delivery of payments to the uplands of Montgomeryshire. Farmers fear that Glastir's criteria for eligibility ignores the LFA status of land in that they are expected to score a number of points, irrespective of the disadvantages faced owing to socio-economic or natural handicaps. They fear that less income will be derived under Glastir compared to TM and that, without sustainable incomes, it may be unsustainable to continue farming in the Montgomeryshire uplands without drastic adjustments being made to their business plans.

Other payments received by Montgomeryshire farmers from agri-environment schemes have generated additional economic wealth for their businesses. Capital payments received under the TG scheme have enabled a range of works to be undertaken which may not otherwise have been possible – for example, fencing, tree planting, hedging and stone walling. Such capital works benefit individual farms and the local economy. With reduced payments, farmers may employ fewer people (such as contractors) to work for them, with a detrimental impact upon the local rural economy. The financial implica-

51 Thomas L. Dobbs and Jules N. Pretty, 'United Kingdom's Experience with Agri-environmental Stewardship Schemes: Lessons and Issues for the United States and Europe', March 2001, South Dakota State University Economics Staff Paper 2001-1 and University of Essex Centre for Environment and Society Occasional Paper 2001-1, at 14.

52 Henry Buller, 'The Agri-environment Measures (2078/92)', in P. Lowe and F. Brouwer (eds), *CAP Regimes and the European Countryside* (CABI Publishing: Wallingford, UK, 1999) at 216, Chapter 12: 'The majority of farmers participate in schemes because it is to the economic advantage to do so, particularly in those cases where schemes represent supplementary income sources.' See also G. Wilson and K. Hart (2000) 'Financial Imperatives or Conservation Concern? EU Farmers' Motivation for Participation in Voluntary Agri-environmental Schemes', *Environment and Planning A*, 32, 2161–2185 – which showed the key factor to be 'financial reasons' (79%) followed by 'provides a secure source of income' (64%).

53 40 farmers, with 28 situated within a SDA.

tions could spread far wider than the farm gate, with many effects on their businesses and practices being identified: family farms may need to be sold with the loss of skills and potential implications to the Welsh language and heritage. If the younger generation are forced to move away, the research identified the risk that, once they leave, they will not return. There is also a likelihood of increased diversification – for example, partial or whole letting of ground or buildings (the viability of which is market dependent), part-time farming and reduced stock-levels – all of which will lead to a changed landscape and an impact on food production, which can be ill-afforded with greater demands for food when the world's population is predicted to increase substantially.⁵⁴

To survive financially, farmers may well do less maintenance work, to the detriment of the environment and stock control. Some farmers felt they would need to increase stock levels, with possible health implications from pesticide contamination and an increase in diseases. The possibility of growing crops in the LFAs was identified as a potential change in farming practices with the difficulty that LFA ground is suitable only for livestock and forage production. Attempts to grow unsuitable crops could have catastrophic environmental impact in terms of local ecology and greenhouses gases.⁵⁵

Farmers were also concerned about the cessation of the dual use of land from the end of December 2013, which will result in farmers having to review short-term grazing arrangements. A landowner with no stock will need a grazier but a problem will arise as the grazier will no longer receive Glastir payments. Where the TM income exceeded the licence fee for grazing, there may be a change in arrangements where the grazier becomes a paid grazing contractor to enable the landowner to receive the Glastir payments.⁵⁶

In terms of the effect that the change to Glastir will have upon the achievement of a sustainable agricultural industry in Montgomeryshire, this will depend upon the eventual 'take-up' of a Glastir contract. If the scheme is over-subscribed, there may be winners and losers. Constant sustainable incomes and capital are required to ensure farm profitability, being one of the three main goals in achieving a sustainable agricultural industry. Although the indications were that the majority of Montgomeryshire farmers intend to apply for a Glastir contract, this will depend upon its financial viability. The whole process is voluntary and if the take-up is low,⁵⁷ the WAG will be unable to deliver the challenges of climate change, carbon capture, water management and biodiversity, with serious implications for the wider society. Glastir, perceived as a wider and shallower scheme, may not be as effective as the more targeted schemes in the context of the WAG being able to deliver its challenges.

Farmers have been described as 'the guardians of the countryside'.⁵⁸ The WAG's farming policies need to ensure they encourage the continuation of the traditional farming structure given that many farmers are located in hilly areas which, if not cared for, would become wild.

54 Above n. 48.

55 Gareth Warn, above n. 44.

56 The Glastir scheme will require a minimum level of grazing.

57 CLA leaders predicted that, because of the raft of anomalies, Glastir will fall well short of the 14,000 applicants the WAG is predicting for the scheme's first year: Barry Alston, 'Assembly dashes hopes of Glastir delay', *Farmers' Guardian*, 29 December 2009, available at <http://www.farmersguardian.com/home/business/business-news/assembly-dashes-hopes-of-glastir-delay/29578.article> (accessed 15 January 2010).

58 B. Jack, above n. 11 at 21.

[F]arming created the countryside as it is today. Without farmers cultivating the soil and tending livestock, the countryside would gradually become a wilderness.⁵⁹

The contribution by the farmers of Montgomeryshire is fundamental in maintaining and improving the Montgomeryshire countryside and society cannot take farmers' voluntary efforts for granted. In order to invest in the environment, farming has to be financially viable. Farmers within Montgomeryshire generate jobs and income and have a commitment to the long-term health of their communities. A sustainable countryside has to be environmentally thriving but also socially and economically prosperous. Indeed, financial viability is pivotal to the achievement of a sustainable agricultural industry in Montgomeryshire, which is essential to ensure a secure food supply.

Without profit there can be no sustainable farming.⁶⁰

TM has been crucial in maintaining the viability of Montgomeryshire's businesses in terms of food production, improved landscape and level of traditional skills (such as hedging and stone walling). TM has also prevented rural depopulation and land abandonment in the uplands.⁶¹ It is of concern that LFA support (used to mitigate the additional costs involved in working in disadvantaged areas affected by permanent handicaps) has been integrated within Glastir with no recognition of the differing levels of handicaps faced between the SDAs and DAs. Also, no evidence has been forthcoming from the WAG as to how it calculated the 20 per cent top-up for LFA farmers on the entry level part of Glastir. If this percentage has not been set at a reasonable level, it could prove to be the difference between a farmer making a profit or a loss and, if the latter, it may prove impossible to keep some farmers and livestock in the uplands of Montgomeryshire. With a decline in upland farming (and the loss of skills), changes to the landscape will occur – with a build-up of vegetation presenting an increase in fire risk, which may well have significant climate change implications given that this fuel source is often located on top of or adjacent to deep peat – to the detriment of recreation, visitor enjoyment and the local economy. Furthermore, depopulation would have a devastating effect upon the Welsh language and culture in the uplands. For land-based and other businesses in the uplands, there are few alternatives in terms of diversification options, unlike their lowland counterparts.

The Montgomeryshire agricultural industry requires profit and people so as to manage the countryside effectively. The economic success of Montgomeryshire is as important to the urban minority, who also want to enjoy the countryside, as it is to those who live and work there. An increase in economic pressures will reduce the incentive for individuals to continue to manage land and, in turn, will have a detrimental impact on the delicate natural environments that rely upon continuity of farming in Montgomeryshire.

There is some common land within Montgomeryshire. The All-Wales Common Land Element of Glastir will be available to farmers who hold rights on common land. but only

59 House of Lords Select Committee on the European Communities (1984), '20th Report: Agriculture and the Environment', Session 1983–84, (HMSO: London) para. 127.

60 The National Farmers' Union, 'A Strategy for UK Agriculture', in 'Sustainable Agriculture', Research Paper 38/01, September 2001, Research Library Services, Northern Ireland Assembly, at p. 7, available at <http://www.niassembly.gov.uk/io/research/3801.pdf>.

61 Enquiry into the future of the uplands in Wales, response from NFU Cymru, 'NFU Cymru evidence to the Rural Development Sub-committee Enquiry into the Future of the Uplands in Wales', at p. 1, available at http://www.assemblywales.org/bus-home/bus-committees/bus-committees-third1/bus-committees-third-rd-home/inquiries-3/rdc_3_-the_future_of_the_uplands_in_wales_-_home_page/rdc_3_-fuw2.htm.

if they manage to jump through certain hoops.⁶² If a few commoners decided against signing up to Glastir, a large number of other graziers may be ineligible for Glastir payments, resulting in a severe impact on local economies within upland areas. This is of concern as common land is an equally important part of the Welsh upland resource and such exclusion does nothing to assist the delivery of a sustainable agricultural industry in Montgomeryshire.

The goal of achieving sustainable agriculture is an important one and entails the maintenance and integration of environmental, social and economic goals. This, however, requires the participation of farmers, who are key players. Agri-environment agreements:

can support the continuation of extensive farming methods, prevent farmers from moving to more intensive methods and discourage them from abandoning their land. They reward farmers for positive management that enhances the environmental value of the farm and they also compensate farmers for accepting restrictions upon their farming practice.⁶³

The research has revealed the deep concerns of farmers regarding the merits of replacing the existing schemes with Glastir. Care needs to be taken by the WAG in ensuring that the new Glastir scheme is equitable. Farmers during the research were critical of the lack of information filtering through from the WAG as well as with the timetable imposed to implement Glastir. If Glastir is rushed through without giving farmers sufficient time to adapt their business practices and plans to accommodate the changes, it may be a case of 'act in haste, repent at leisure'. The WAG policy needs to be such as to avoid severe depopulation of the Montgomeryshire hills of livestock and farmers with the knowledge and skills to manage such vital areas, an essential element of ensuring the maintenance of ecological life support systems and the delivery of sustainable environmental goods and agricultural products. The WAG has failed to engage actively with farmers with experience of upland agricultural practices at all stages of policy formulation. This was a short-sighted approach, as farmers with their expertise and knowledge had the capacity to provide valuable input to avoid major problems arising in the implementation of the scheme. Farmers have expressed their discontent. However, 'discontent is the first necessity of progress'⁶⁴ and the WAG needs to take heed of farmers' views.

Sustainability in its most basic form is 'survival' and, even at such a basic level, all three main goals (environmental stewardship, farm profitability and social responsibility) need to be met simultaneously in order to achieve a sustainable agricultural industry. If one element of these three is lacking (economic, for example), the goal of securing a sustainable agricultural industry in Montgomeryshire may be unachievable,⁶⁵ and what may happen in Montgomeryshire could be repeated throughout Wales.

62 To include establishing a grazing association to include a minimum of 80% of active graziers who hold at least 80% of all grazing rights on the commons. Agreements will have to be drawn up between grazing associations and the WAG, as well as the land owner. What if there is no agreement?

63 B. Jack, above n. 11 at 111.

64 Thomas A. Edison (1847–1931).

65 See also 'Sustainable Agriculture', Research Paper 38/01, September 2001, Research and Library Services, Northern Ireland Assembly.