

**NFU Cymru**

**The Voice of  
Welsh Farming  
Manifesto  
2005**



## INTRODUCTION - PEREDUR HUGHES, PRESIDENT NFU CYMRU

Whilst the challenges to the survival and prosperity of today's British farming business have never been greater than they stand now, at the same time we see farmer's main customers in the retail sector consolidating their positions and going from strength to strength. Whilst farming continues to be conducted by a relatively large number of small businesses, they have to do business with a small number of companies exerting ever-increasing power.

The OFT Code of Practice is designed to ensure reasonable behaviour towards suppliers but by its own admission, it is not working. Farmers and growers therefore look to the next government to work with them and reconcile these disparities in power, which must be achieved on the basis of a sustainable recovery in the industry's economic prospects from the low base of current years.

There are a number of issues, which need to be addressed for example, reconnecting British farming with other parts of the food chain, its customers and consumers, which must be pursued with vigour. Government has an important role to play in facilitating this process. In applying for Single Farm Payments, farmers agree to keep the land they farm in good agricultural and environmental condition (GAEC) something that extends over and above the statutory management requirements for environmental, public health and animal welfare. In return, it becomes incumbent on the government of the day to ensure that the necessary delivery mechanisms are in place to ensure prompt payment to UK farmers for these additional commitments.



It is essential that Government environmental policies encompass social and economic factors if they are to be sustainable and offer sensitive rural development decision making at regional and local levels. Last year, the Welsh Assembly Government delivered for Wales a well-received package of CAP reform measures, tailored to the specific needs of Wales. It is for precisely this sort of reason that the Westminster government must overcome its innate tendency to retain control centrally, with a 'one size fits all' approach, and instead demonstrate its trust and confidence in the capacity of the Welsh Assembly Government to deliver for Wales.

The UK Government will this year, negotiate revised Rural Development Regulations. These Regulations will dictate the form that the Rural Development Programme for Wales will take from 2007-2013.

The industry will look to Central Government to bestow on the Welsh Assembly Government a fair and reasonable settlement to ensure that devolved schemes such as Tir Mynydd, Tir Gofal and the new Tir Cynnal schemes are not jeopardised or that Welsh farmers are saddled with an unfair burden of domestic modulation to fund the shortfall.

The next Government will have some vital opportunities, on the world stage, in Europe and in the UK to secure policy decisions which will encourage British farmers to work in partnership with them, to meet these challenges and foster conditions in which farmers can sustainably deliver society's need for safe, good quality food and other products together with responsible management of the environment.

I wish you every success in your campaign and hope that you will see fit to support the priorities that NFU Cymru has identified for the Government's next term.

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## NFU CYMRU KEY ISSUES

### CAP Reform

The financial perspective for the CAP for 2007-13 is likely to be determined later this year. A major part of the 2003 reform of the CAP will shift the emphasis from "Pillar 1" production support to 'Pillar 2' rural development activity. Yet over many years the UK has had a woeful record of utilising EU **rural development funding**, receiving only 3.5% of the budget compared to the 10%, which the size of the country's farming industry justifies. The British Government must not preside over a reduction in the budget, on the contrary it should ensure that the European Commission's proposed ceiling, 1.24% of GNI is adopted, and that the UK obtains a fairer share of rural development funding, as otherwise British farmers will likely be penalised compared to farmers in other EU countries. This issue is particularly significant for Wales given that it will determine the resources available to fund measures such as Tir Mynydd, Tir Gofal, Tir Cynnal etc under the Welsh Rural Development Programme.



The EC is shortly to submit proposals for a revision of **the LFA**. 80% of Wales is currently designated Less Favoured and it is imperative that the UK Government seeks to defend the interests of hill and upland farmers at EU negotiations.

Milk producers because of **low milk prices** are largely producing milk for less than the cost of production in the UK. This is not a sustainable position in the UK. If the Government wishes to safeguard future domestic dairy supplies then it must intervene to ensure that producers are fairly treated.

Like other businesses, farmers are over **burdened with regulation**. The next government must progress the 'whole farm' approach to regulation with a view to making the regulatory regime efficient and effective, driven by outcomes rather than mere implementation and seeking to identify alternatives to regulation. Regulators should integrate the inspection process and target inspection visits to those presenting the highest risk of non-compliance and the gold plating of domestic requirements must be stopped.

Farmers have embraced the importance of consumer confidence by their strong support for **farm assurance schemes**. The British Farm Standard, symbolised by the Little Red Tractor, is an important stamp of approval that appears on a wide range of food in British shops. The next government must help in the reinvigoration of this successful guarantee of high standards of production from British farms. This should complement the excellent work of the Welsh Agri-Food Partnership.

**Food labelling** has been an area of confusion to consumers and frustration to producers for too long. Labels should enable and encourage consumer choice, and consumers must not be misled into making false assumptions about production standards, variety, country of origin and nutritional value. The next government should work in Europe for improvements in labelling to achieve this.

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The need for adequate **protection against the incursion of exotic disease** is of paramount importance. Whilst total protection is unachievable, further work by government is needed to reduce the risk. Of course once disease has broken out, effective bio security at farm level is vital – but government must have comprehensive contingency plans in place, which must be regularly rehearsed. Compensation to farmers for their animals must be on a fair basis, which reflects their real worth. These are small prices to pay against the economic and social devastation that can flow from poorly controlled disease management.

As the incidence of BSE sharply declines with the UK risk status now equivalent to or better than some other EU member states. Government must secure a relaxation in **beef export** controls in conjunction with an unravelling of the **OTMS**.

The incidence of **Bovine TB** continues to escalate and has very serious implications for thousands of farmers, their livestock and for wildlife. The next government must take a firm grip of the problem and commit itself to a policy of full eradication of the disease including the development of effective vaccines. In the meantime we support the Assembly's proposal for intensive treatment areas involving selective wildlife culling in targeted hotspots.

Arrangements for the disposal of **fallen stock** need to be urgently reviewed. The possible inclusion of ingestors as a legitimate means of disposal needs to be further explored with, the EC. A derogation from the regulations for the LFA must also be pursued by government with vigour.

**Environmental issues** are a central concern for farm businesses. Farmers play a critical role in managing the nation's key environmental resources. The breadth and complexity of both regulatory requirements for the farmed environment, and of the public's expectation, is growing. Farmers will look to the next government to support them in delivering best practice, with policy based on evidence and sound science, coupled with regulation that is targeted and proportionate.

The **Water Framework Directive** is one of the biggest pieces of European environmental legislation in 20 years and poses a significant challenge for the industry.

The next government must build on this progress by continuing to work closely with the farming community in a manner based on encouragement and support. Achieving the targets set by the Water Framework Directive will not be easy and the next government will need to show its recognition that the purpose of the Directive is to promote sustainable use of water environment rather than returning it to pristine condition. Water quality standards should be set in the context of modern day land use and land management.



One specific area where the next government must seek improvements in environmental regulation is the disposal of **agricultural waste**. Defra's consultation on the issue has proposed the closure of all farm tips on the basis that anything 'disposed of' constitutes 'waste'. Curiously although the same EU Directive applies in Scotland farmers will be able to continue to use farm tips for inert and biodegradable wastes! In practice, this is a better environmental solution than a costly collection and centralised disposal approach. The need for farmers to apply to the Environment Agency for exemption from licensing for the disposal of such harmless 'wastes' as tree prunings, hedge trimmings, and pallets is a bureaucratic nonsense that must be sorted out.

Finally, but by no means least, the lifeblood of any industry are its **Young people**. Measures to assist young farmers must be central to Government Policy.

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