

Rt Hon Michael Gove MP  
Cabinet Secretary for Environment and Rural Affairs  
Department for Environment and Rural Affairs  
Nobel House  
17, Smith Square  
London, SW1P 3JR

18 April 2018

Dear Michael,

**Health and Harmony: the future for food, farming and the environment in a Green Brexit**

I am writing on behalf of the Climate Change, Environment and Rural Affairs Committee, in response to the consultation on 'Health and Harmony: the future for food, farming and the environment in a Green Brexit'.

In our report 'The Future of Land Management in Wales' (March 2017), we set out our belief that priorities for future support for land managers should support a greater range of outcomes, including producing food, enhancing biodiversity, mitigating climate change and supporting resilient rural communities. We were clear that our rural landscapes will continue to be managed largely by farmers, and this role should be supported with public funding.

Overall, the consultation's proposals to increase environmental and community benefits from support for agriculture align with much of our thinking.



Given that the majority of the policy proposals in the consultation apply only to England, we have limited our comments to the topics which we believe will have the most impact on Wales.

### **Chapter 13: Devolution: maintaining cohesion and flexibility**

Leaving the EU will necessitate new inter-governmental relationships at a UK level. The priorities of each government in the UK must be represented in the development of future regulatory and policy frameworks. Co-ordinating the shared responsibilities across the UK has to be undertaken on the basis of parity of status.

The introduction of common regulatory frameworks for the UK will be fundamental to these new relationships. These frameworks must be agreed by each of the constituent nations of the UK, not imposed from the centre. We fully endorse the principles agreed at the Joint Ministerial Committee (EU Negotiations).

Any future common regulatory framework must be able to accommodate policy divergence across the UK. The Welsh Government must have the maximum freedom to develop policy in devolved areas, whilst also respecting any UK agreed framework. This is not only to preserve Wales' current animal welfare and environmental protection standards; it is also necessary to respect existing Welsh legislation such as the Well-being of Future Generations (Wales) Act 2015 and the Environment (Wales) Act 2016.

Furthermore, maximum policy freedom is essential to design policies that reflect the unique characteristics of Welsh agriculture – predominantly small family farms often in marginal areas – and the sector's crucial role as the backbone of the Welsh language in rural areas.

In terms of proposing specific land management policy areas where a common approach across the UK will be necessary and possible cross border impacts, the Committee will be carrying out an inquiry into this subject in May and June. We will be reporting on our discussions in mid-July.

## **Chapter 14: International Trade**

The importance of the agricultural sector and the rural economy to Wales cannot be overemphasised. Given that over 90% of Welsh food and drink exports outside the UK are currently exported to the EU, it is vital that the sector can continue to access this market fully.

The needs of the agricultural sectors in the nations of the UK and their relative importance to their economies are varied. Each of the nations of the UK will have their own priorities to be negotiated with the EU. For Wales, a key priority will be lamb. If Wales' lamb sector is not represented appropriately in those negotiations, it may prove to be disastrous for our rural communities. It is vital, therefore, that during negotiations the UK Government presents a negotiating position that has been agreed with the constituent nations of the UK.

The risks of failing to achieve a trade deal with the EU are grave – trading under WTO rules will be hugely detrimental to the agriculture sector in Wales. The UK Government must ensure that Welsh producers, including Welsh lamb producers, are not exposed to the severe risks arising from the impositions of tariffs, quotas or other restrictions on access to the EU Single Market and customs union.

We must ensure Wales can export on reasonable terms and that products of a lower standard from other markets do not flood the UK market.

## **Chapter 15 Legislation: the Agriculture Bill.**

The need for appropriate UK-wide frameworks to ensure commonality is an issue we are consulting on, as set out above, and we will respond once our inquiry has concluded.

### **Agriculture legislation**

The current regulatory framework maintains standards of production which allow access to the EU Single Market and beyond. The opportunity for reforming regulations should draw on the views of food producers and other rural stakeholders. Any future regulations should support the production of high quality food, the maintenance of current animal welfare and environmental standards, and ensure the widest possible access to global markets.

We believe that any proposed changes to the current regulatory approach will need to be subject to inter-Governmental discussions and agreements should be reached as soon as is possible to give food producers certainty to guide their planning.

## **Funding**

For most farmers in Wales, the direct payments they have received from EU funds have constituted the majority of their income. In 2014–15, direct payments accounted for an average of 81% of net Welsh farm profit for all Welsh farm types.

During the referendum campaign a range of statements were made by prominent Leave campaigners on the future of funding for agriculture and rural development should the UK exit the EU. These statements have created strong and reasonable expectations of funding continuing on a similar basis to that presently secured under the EU's Common Agriculture Policy (CAP).

The Committee welcomes the UK Government's commitment to continue funding for agriculture at its current level until 2022. Thereafter, the most important benchmark will be the next cycle of CAP, from 2021–2027. Future funding should be passed directly to the Welsh Government, ring-fenced for the purpose of agriculture and rural development, and not be subject to the Barnett Formula.

## **Legislative consent**

The consultation sets out your intention to introduce an Agriculture Bill. With regard to consulting the devolved legislatures, you say:

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We will make sure that Parliament has due scrutiny of our agriculture legislative programme, we will seek consent from the devolved legislatures where relevant and ensure that farmers and land managers have time to prepare and adjust.

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The Committee would like to clarify that constitutional convention means that consent from devolved legislatures is needed for *any* aspect of the Agriculture Bill that touches on devolved competencies. We would welcome, therefore, a general

presumption in favour of seeking consent, even where the UK Government may believe the provisions are tangential to devolved competence.

I trust this response will inform your policy decisions on the legal and financial basis for agriculture and land management once we leave the EU.

I would like to invite you to attend our meeting in the National Assembly for Wales to discuss these proposals. Alternatively, we are visiting Committees in Westminster on 2 May and would welcome the opportunity to meet you then if this is a convenient date for you.

Yours sincerely,

A handwritten signature in black ink that reads "Mike Hedges". The signature is written in a cursive, slightly slanted style.

**Mike Hedges AM**

**Chair of Climate Change, Rural Affairs and Environment Committee**