

Response from the

Welsh Agri-food Partnership Organic Strategy Group

prepared by Organic Centre Wales
(University of Wales, Aberystwyth, SY23 3AL)

20th October 2003

to the Welsh Assembly Government consultation on

Consultation on Entry level Agri-Environment Scheme for Wales

<http://www.wales.gov.uk/subiagriculture/content/consultations/entry-level-scheme-e.pdf>

This response focuses specifically on the implications of the proposals for organic producers in Wales and the conclusions and recommendations that arise from the proposals.

The proposals to establish an entry-level scheme (ELS) are of very significant interest to organic producers, as they could result in a dovetailing of the existing Organic Farming scheme with other agri-environment schemes such as Tir Gofal.

Of the 14 questions within the consultation only two specifically relate to organic issues, but we will comment on other questions as appropriate.

Organic Farming in Wales

All registered organic farmers have constraints on their management relating to the principles of organic farming. The ACOS (Advisory Committee on Organic Standards) compendium of minimum organic standards (<http://www.defra.gov.uk/farm/organic/actionplan/compendium.pdf>) sets out these principles and sets the UK base level compulsory standards to which some Certification bodies add supplementary constraints. Environmental and conservation guidelines are included in an advisory section of the ACOS compendium.

Organic farmers that converted with the assistance of the Organic Aid Scheme or the Organic Farming Scheme have had to adhere to additional environmental prescriptions. In the past, some of these conditions have been deemed to be similar to Tir Gofal whole farm requirements and have incurred a deduction of payments if farmers have entered both schemes. Table 1 illustrates the range of constraints and requirements on organic farmers, including the proposals contained in the consultation document, and indicates the level of duplication between OFS and Tir Gofal may be less than previously assumed. Appendix 1 details the constraints originating from the four sources: the proposed conditions integral to the standard ELS which will apply to all participants, the whole farm conditions from Tir Gofal that are proposed for all ELS participants, the ACOS (Advisory Committee on Organic Standards) compendium of minimum organic standards and the current prescriptions applying to all entrants into the OFS scheme.

It must be emphasised that organic farm is a production system reliant on maintaining or enhancing soil fertility, and therefore has fundamentally different aims than schemes designed for conservation which in some cases aim for fertility depletion. Having said that, the inherent sustainability and biodiversity objectives of the organic farming system make this the most appropriate production system to bring together the aims of both policies.

Integration of organic farming and entry level schemes

Q11: Should the OFS continue to be run as an entirely separate scheme as now?

The organic strategy group strongly believes that organic farming should not be limited to the Level One of the proposed scheme, and that the organic option should run vertically up the pyramid. We argue that at a minimum organic farming provides environmental benefits above those of Level 1.

We propose that the Organic Farming Scheme (OFS) be revised with respect to environmental conditions and payment rates and be available as a supplement for all levels of the scheme, with a separate and protected resource stream.

Or should the measures for environmental protection on organic farms be strengthened by requiring those seeking payments for organic conversion and/ or subsequent maintenance to access them only by agreeing to comply with the Entry Level scheme?

Our proposal for a revised Organic Farming Scheme running parallel to all ELS levels could require that all Tier 1 ELS environmental conditions were met, and would contain further conditions to be outlined subsequently. This would mean there would be no dual funding adjustments to payments to organic farmers also participating at any level, thus saving administration costs, time delays and the perception of a penalty for participating in both schemes that are associated with the current arrangements of the OFS and Tir Gofal.

However, there is a concern that although the current whole farm conditions do not present a barrier for organic farmers, the ELS conditions, focused as they are on conventional farming, may conceivably be altered in the future in a way that causes problems for organic farmers; this should be avoided and the facility for derogations available to organic participants should be built in.

The proposed conditions for the 5% wildlife habitat areas are a potential issue because of the suggestion of a prohibition on 'off farm wastes'. We dislike the term 'wastes' for manures anyway, but more importantly, organic regulations will require some farms to have partnership arrangements with other holdings and manures brought from those holdings should not be considered as 'off farm'. It should also be clarified that composts should not be considered 'off farm wastes'.

Q12: Would uptake of organic farming be detrimentally affected if the route to the financial support lay only through the Entry-Level scheme?

We believe there are cases (for instance where farms are within other schemes) where farms may not qualify to enter the ELS, but they should not be prevented from becoming organic. The proposed revision of OFS as a supplement to the ELS and higher tiers should enable support for conversion and organic management to be available to all farms.

Additionally, the organic sector believes that organic farming provides a broad-ranging solution to agri-environment objectives and should be treated as such by policy makers. We therefore resist any development where organic farming support simply becomes part of a framework designed to improve non-organic farming, losing its separate profile and potential for dedicated improvement.

It is essential that should the proposed Organic Maintenance Payments scheme be brought in, clear and easy entry routes to any new OFS and entry to ELS are publicised at the start. Experience in England has shown a reluctance to enter the organic maintenance scheme when automatic entry or transfer to the future ELS is not assured.

Payment rates

The £30/ha in the ELS consultation document has been estimated by costing the individual environmental actions required in terms of costs, income foregone, and an incentive component. Payment rates for a revised organic farming scheme should be calculated by the same method for the additional actions/prescriptions, including impacts of meeting organic standards, assuming that products are marketed at conventional prices. (Where producers are able to gain an organic premium, this should be seen as compensation for the marketing activities involved and consumer perceptions of quality benefits, not compensation for meeting environmental standards). Converting farms should be eligible for top-up amounts for the first two years on a given parcel of land (reflecting additional costs and reduced output during the conversion period) as well as assistance for implementation of the Organic Whole Farm Resource plans (see below).

There remains a question about the extent to which payment levels should be linked to current intensity levels (and also horticulture – see below). This might be based on current arable, enclosed and unenclosed grassland, but could also be based on LFA status, stocking rates or single farm payment entitlement. OCW would be glad to participate in further discussions on this issue.

OCW will be pleased to maintain intensive liaison with WAG on the details of conditions for a revised OFS and calculation of payment rates. This work will also be informed by a report commissioned by CCW, due to be completed by OCW by the end of October, on the environmental impacts of organic farming in the hills and uplands and by ongoing work for DEFRA on the economics of organic farming and modelling of the costs of conversion.

Entry routes

While the emphasis should remain on whole farm conversions, there is a need to enable farmers to **convert in stages** (parts of the farm in successive years), in order to spread the risks and learning costs, and to ensure optimal entry points for the conversion of individual parcels of land.

The revised Organic Farming Scheme environmental prescriptions and payments, including conversion supplements, should apply to each parcel of land from the point at which it starts conversion, but Tier 1 ELS prescriptions would apply to the entire farm from the point of entry into the scheme.

The proposed supplement of OFS available vertically to all levels of the new scheme will enable farmers at all levels to move to organic farming, or from organic farming back to each level of the scheme.

Existing organic farmers and Organic Farming Scheme participants should be able to transfer directly into the ELS + OFS and, if appropriate, progress up to the higher Tir Gofal and co-operative agreement Tiers. Organic/OFS producers currently in Tir Gofal should enter the higher Tir Gofal level with the revised OFS payments.

Conventional producers not currently in Tir Gofal would be able to enter the ELS and OFS starting with the conversion supplement. Conventional producers currently in Tir Gofal should be able to enter the OFS scheme starting with the conversion supplement, retaining their higher-level Tir Gofal obligations.

This recommendation also overcomes the potential problem of farmers not being allowed to **step 'down'** to a lower level in the pyramid (i.e. from Tir Gofal to ELS), and provides a means for Tir Gofal farms to qualify for the organic scheme.

Mixed stocking

Given the environmental benefits from a greater balance of cattle to sheep, it is disappointing that this issue is not addressed explicitly in this consultation. Given the current implications of the CAP reforms, it would be beneficial to provide policy encouragement. If this Agri-environment measure is unable to address this issue, it is essential that the Tir Mynydd scheme is adapted for this purpose, but also that strong links are made to the FIG scheme to address capital investment-related barriers.

Q1. Are these the right objectives for the Welsh Assembly Government's support for agri-environmental schemes?

We are concerned that there is no mention of the function of agriculture in food production in the document. The aim of the agri-environment should be a sustainable quality food production system (and, as noted in Farming for the Future) should contribute to a positive image for Wales in the world. Paragraph 24 of Council Regulation 1257/1999 mentions that 'support for less-favoured areas should contribute to the continued use of agricultural land, maintaining the countryside, maintenance and promotion of sustainable farming systems'. It should be re-established that land is used primarily for food production, and that the environment improves the actual quality and the image of the product. Organic farming is recognised as contributing to quality food production and environmental protection and this should be stated explicitly in the objectives.

Q3: If a broadly based Entry-Level scheme is introduced, do the requirements as described briefly above provide an appropriate balance between a scheme that would encourage uptake by a large proportion of farmers and one that one that would achieve a good measure of basic environmental conservation?

The consultation text suggests **5% of land** under environmental management may simply mean unsprayed areas – in which case organic farmers do this for 100% of their land.

We consider that streamside corridors, reversion of improved grassland, conservation headlands, uncropped grassland field margins, specific habitats & woodlands should be included. Unsprayed cropped areas should be excluded, with the emphasis as suggested on non-cropped areas but linear features including wide double-fenced hedgerows (> 4m total) should be included in this category, as these are important wildlife corridors and a means for more intensive dairy farms to participate. Emphasis should be on (positive) environmental management, not abandonment.

Whole farm elements

We submit that with respect to the **whole farm environmental management prescriptions**, the prescriptions 2, 3 and 9 from the current Organic Farming Scheme (see Table 1) would be beneficial and bring valuable conservation benefits if required from all farms participating in the ELS and not just on the 5% wildlife habitat as currently proposed.

Further, it appears inconsistent that manures may not be applied within 10 metres of watercourses, yet it is proposed that herbicides, pesticides and fertilisers may be applied up to 1 metre.

The requirement that stockproof field boundaries are maintained in a stockproof condition using traditional materials will be extremely onerous on farms with miles of stone walls and this may be a barrier to those farms entering the scheme. This would clearly impact on organic farmers if the OFS were tied to ELS conditions.

The whole farm restrictions include a prohibition on the extraction of rock, scree, sand, shingle, gravel, clay or peat. Many farms contain a long-established quarry site based on low-level extraction and this element will cause some difficulties. The prohibition could be softened to allow extraction according to tradition for on-farm, or very local use.

Q7: If provision is made available for additional support for implementing the whole farm resource management plans, should this be run as part of the Tir Gofal scheme or should it be managed separately?

We consider that funds for implementing the whole farm resource management plans should be available at all tiers of the scheme.

The revised OFS should include an organic management plan, encompassing the plan elements already required for certification, and further elements for wider environmental benefits (see Figure 1). Thus technical, manure, livestock health and welfare plans, are required in some form already, but there is inconsistency in the quality of plans required. Certification bodies should be involved in the preparation of plan requirements to ensure streamlining and to avoid increasing bureaucracy on an already burdened sector. More detailed resource use (nutrient budgeting, water and energy plans) and conservation plans (within crop issues, plans for wildlife habitat areas, hedges and ditches and woodlands and trees as well as assessment for suitability for Tir Gofal) should also be included in the Whole Farm Organic Management plans. The aim of the plans is to unify the different aspects of farm management. It must be noted that these can only be compulsory if sufficient resources are provided to support the planning process. Although the involvement of the farmer is imperative, advisory assistance will be needed for drawing up these plans. Currently the OFS has a £600 lump sum contribution to costs of training and advice. Organic farmers entering the scheme should be eligible for the funds proposed for the implementation of the Whole farm resource Management plans.

Other means of developing plans, including group training/advice and use of OrgPlan software should be considered. The business-planning element of conversion would then be available through the Farming Connect FBDP option. In the future, Occupational Health and Safety and Food safety plans could be promoted.

Funding for the Conversion plan should be covered in the Conversion element of the OFS, which may require the retention of some 'lump sum' element to the payment. The advantage of tying funding to advisory services or attendance at training courses should be weighed against the complexity of administration.

Additionally, we argue that all farmers entering the ELS should have the option of a this sort of whole farm management plan open to them, although additional funding would be necessary to facilitate this.

Q8: Should the scheme make provision to encourage group applications?

This is a good suggestion that would enable sensitive catchment areas to be targeted (for example the Vyrnwy catchment in the control of Severn Trent Water has been converted to organic management). The top tier of co-operative action should be open to organic farmers and groups of organic farmers.

Q9: Is the approach of inviting bids from farmers to undertake environmental work in key areas a sensible one or is there another way?

See below.

Q10: Is the concept of a facilitator from the community with responsibility for helping to administer the scheme and co-ordinate the groups a feasible proposition?

It is difficult to see how group applications could be encouraged without use of coordinators to encourage applications from target projects and areas previously identified by the Conservation Agencies.

Q13: Bearing in mind the issues surrounding capital payments set out in paras 61 and 62, views are requested on whether capital payments are necessary and if so how they could be administered to contain costs and ensure they are properly targeted. Views are also requested on the extent to which any payment should be linked to an existing grant scheme.

As indicated above, the benefit of linear wildlife corridors are so great that access to capital grants for fencing would be very desirable. They may also be necessary to provide support for those farmers with a considerable length of traditional field boundary

Whilst we understand the reluctance of the WAG to include capital grants in this scheme, these would be a very helpful incentive to encourage mixed stocking and in bringing the associated environmental benefits. It would be desirable for FIG and FEG grant criteria to be altered to enable grant assistance for environmental reasons if the economic case is marginal. If no capital grants are included in the ELS scheme, we should encourage this change to FIG and FEG grants and ensure appropriate explicit linkages for eligibility.

Other issues

As organic farms are subject to annual **organic inspections**, these could include monitoring for the OFS environmental conditions, but this would need funding and should not result in organic farmers being subject to increased compliance inspections compared with other ELS scheme participants.

Horticulture and top fruit.

Given the increased floral diversity involved in organic horticultural cropping, the first 5 ha of horticulture on holdings should be eligible for substantially higher payments. If this cannot be achieved through the ELS, we recommend an amended OFS scheme provides increased area payments for specific horticultural crops. English top fruit growers, for instance receive £1500/ ha over the terms of their OFS.

Pilot areas

The proposal to develop a suitable pilot project is welcome. Sites should include current organic farms and ideally a farm or farms wishing to convert.

Funding

Our proposals should save money within CCW and WAG by reducing administration costs of dual funding issues. Proposals for a compulsory whole farm management plan are dependent on adequate funding. To ensure support for the organic sector as an important aspect of sustainable agricultural policy as recommended by the recent ARD review, it is imperative that the OFS has a protected resource stream.

Figure 1

Standards requirements

Agri-Environment Scheme

Business planning

Resource and Conservation plan

Livestock, cropping and rotation
Manure management
Animal health and welfare
Inventory of wildlife sites

Resource use
Nutrient budgeting
Water
Energy
Conservation plans
within crop issues
plans for wildlife habitats
Hedges and ditches
Woodlands and trees
Tir Gofal suitability

FBDP
Cash flow

Conversion planning

Livestock feeding
health and welfare
Cropping
Pesticides
Nutrient budgeting
Manure management
Water
Energy
Conservation
BAP habitat assessment