

## Introduction

I am delighted to introduce the first AIC Wales newsletter, a biannual publication designed to provide an update on the latest information and advice for Members. Here you can read about the issues, policies, and directions that shape the agri-supply industry in Wales.

The position of AIC Wales Policy Manager was created towards the end of 2021 following requests from Members in the region. The Welsh Government is diverging in some key policy areas, especially concerning sustainable agricultural policy and timelines, and we plan to speak on your behalf in shaping the new direction forward.

I have endeavoured to actively introduce myself to Members and stakeholders as we progress through the pandemic and face new challenges, including cost inflation as a result of the war in Ukraine. Please do not hesitate to get in touch if you have questions or want your voice to be heard on any issue.



**Michael Muncey**  
AIC Wales Policy Manager



## UKRAINE

The ongoing conflict in Ukraine and its impact on agricultural supply chains is our primary focus at AIC Wales. We have been working hard to brief ministers in Wales and the rest of the UK on the severe difficulties that Members are experiencing.

We are highlighting to Government a range of issues including energy costs/availability, impacts on the livestock and poultry sectors, and the implications of food price inflation that we are now experiencing.

Our message to Government has been clear: ensuring farmer liquidity is

essential for stability at this time. AIC Wales sits on the Welsh Agri-Food Supply Chain – Ukraine Conflict forum and we convey this message loud and clear.

In the short-term, AIC has been pleased to see Government reacting to GM authorisations on US Maize imports and the removal of the 25% maize import tariff.



# AIC Wales – Strength in Numbers

31 Members operating extensively in Wales, with 2 Members headquartered here. Our Members are active across all AIC sectors, including animal feed, fertiliser, crop protection, seed, and grain and oilseed marketing.



Over 800 people are employed by Member businesses in Wales, with 90% of these employed by three large companies. Our Members in Wales represent a turnover value around £0.9 billion at farmgate.



### UK WIDE

We represent over 200 companies representing a farmgate value of £9 billion and employing over 43,000 people directly and indirectly.



### 5000+ ADVISORS

on professional register who engage with and support UK farmers

**BASIS**



Through our roles in the provision of advice, inputs, and assurance, AIC plays a critical role within the Welsh agri-food supply chain.

### OF EQUAL IMPORTANCE

is the role which AIC Services plays in providing assurance schemes, including for livestock feed and combinable crops. These schemes ensure feed and food safety and help underpin the added value brands of Welsh lamb, cheese, and traditional Welsh bread and cake products.

## ASSURANCE SCHEMES



## New funding

**As part of the Sustainable Farming transition, the Welsh Government is making £227m available over the next three years to support Wales's rural economy and natural environment. Rural Affairs Minister Lesley Griffiths announced the measure on 31st March.**

This funding will support farmers and land managers as a replacement for the support from the EU Rural Development Programme, which will cease in 2023.

The subsequent three years will see the new funding used to pay for items including sustainable land management; enhancement of fuel, feed, and nutrient efficiency; encouraging the use of renewable energy; supporting investment in new technologies; and aiding agricultural diversification. Woodland and forestry creation will be another priority, with the Welsh Government aiming to plant 43,000ha of woodland by 2030.

£100m has already been allocated to the Sustainable Farming Scheme and the various scheme options are

either open now or would be launched over the next four months, including grants for organic conversion, horticultural support, on-farm nutrient storage, and grants of between £1,000 and £5,000 for planting trees.

**“The significant funding announced will be key in supporting our farmers, foresters, land managers, and food businesses to promote the sustainable production of food and meet the challenges ahead, supporting the rural economy on the path to a net-zero, nature-positive Wales.”**

- Lesley Griffiths

NFU Cymru President Aled Jones welcomed the funding announcement but asked for more detail and for farmers to have a voice in the design of the schemes – a view echoed by AIC Wales.

## Wales – Future Policy

- BPS continues to 2023. Glastir agreements extended to Dec 2023 and Farming Connect to Mar 2023
- “Sustainable Farming Scheme” (SFS) to pay for public goods
- 2022: Agricultural Bill + SFS outline in Spring, followed by ‘co-design’ and interventions to prepare farming for SFS
- 2023: final version of SFS in spring and transition plan
- 2024: ‘outreach’ on SFS including start of Farm Sustainability Reviews
- 2025: start of SFS on 1st Jan
- Business support – advice, skills, training, and capital grants
- Regulatory reform – National Minimum Standards for Agriculture
- Industry and Supply Chain Support. Also, forestry and woodlands

The Sustainable Farming Scheme (SFS) will replace the BPS and Glastir with a Sustainable Farming Payment forthcoming. Although all farms in Wales can potentially access this payment, it will not be provided as a right – land managers will need to provide “public goods” to access it. The provision of food does not count as a public good, as a functioning market for food exists.

Transition to the new scheme is expected to commence in 2025, with the potential to phase in over several years. There has been a clear desire under recent Welsh administrations to improve the competitiveness of agriculture.

Business support programmes and support for the wider food chain will run alongside the SFP.

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## Agricultural land parcels

The acquisition of Welsh agricultural land parcels from investors and companies outside of Wales for generating carbon offsetting credentials is a worrying trend for Welsh Government, as well as Welsh companies, farmers, and stakeholders. AIC Wales wishes to see productive sustainable agriculture in Wales, by Wales, for Wales.

AIC Wales now sits on the Dairy Industry Strategy Group to promote and direct dairy emissions reductions given the Clean Air Strategy requirement and as part of Welsh Government's net-zero climate commitment. An 'emissions toolkit' proposal is seen as quicker, more effective, and voluntary for the whole industry, allowing all dairy units – irrespective of size – to contribute, rather than acting as a permitting mechanism. We continue to engage on this and drive the conversation forward.



## Welsh Royal Show 18th – 21st July

AIC Wales will be attending the Welsh Royal Show. We will not have a stand but plan to meet and greet with Members and stakeholders. Please get in touch if you would like us to arrange a meeting. We hope to see you there and wish all Members an enjoyable and productive event.



## Next steps for AIC Wales

AIC Wales is working to forge stronger contact with Members and stakeholders. Moves in this direction have included the formation of an AIC Committee forum to further hear and amplify the voice of Members. We plan to hold a meeting in Wales on July 26th to initiate this committee structure. More details to follow shortly.

As AIC Wales establishes itself, we welcome any and all feedback or comments. We are dedicated to finding the best possible ways to engage, support, and represent our Members. If there is any way we could do more for your business, please do not hesitate to get in touch.

