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**Commission III**

Individual Report – Rapport individuel – Individueller Bericht

**The perception of farmers and key agricultural industry  
stakeholders on the implementation and enforcement of the  
Single Payment Scheme in Wales**

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### **CEDR Commission III**

#### **Title: The perception of farmers and key agricultural industry stakeholders on the implementation and enforcement of the Single Payment Scheme in Wales**

## **1. Background**

### **1.1. Single Payment Scheme (SPS)**

In the UK, implementation of the Mid Term Review reforms has taken place at a regional level with each of the regions, England, Scotland, Wales and Northern Ireland adopting different approaches. This paper concentrates on the implementation and enforcement of the SPS in the regional area of Wales.

In Wales, the SPS came into force on 1<sup>st</sup> January 2005. The window for making payments was 1<sup>st</sup> December 2005-30<sup>th</sup> June 2006 and in Wales, farmers received the majority of their first payment under the SPS by the first possible date allowed by the European Commission to do so.

Wales has based its Single Payment Scheme on an historic basis, with the future decoupled subsidies dependent on what each farmer received in the 2000-2002 reference period. The reason for this decision seems to be that the alternative systems available would have involved a greater redistribution of current financial support in Wales, and that any model which would have involved an area element would not have served the best interests of Welsh agriculture which is predominantly characterised by its small Welsh family farms. Devolution has therefore allowed the Welsh Assembly Government (WAG) to adopt a SPS which is more appropriate to Welsh agriculture.

Any farmer who received a subsidy from the following schemes in those three years could claim the SPS, subject to other requirements. The schemes which applied to this calculation were the Arable Area Payment Scheme (AAPS); Beef Special Premium Scheme (BSP); Extensification Payments Scheme (EPS); Integrated Administration and Control System (IACS); Sheep Annual Premium Scheme (SAPS); Slaughter Premium Scheme (SPS) and Suckler Cow Premium scheme (SCPS). The dairy premium was incorporated within the SPS in Wales and for dairy farmers who claimed dairy premium and additional payments in 2005, the reference date for these was 31<sup>st</sup> March 2005.

In order to claim payment under the SPS, a claimant had to be a farmer who exercises an agricultural activity and that farmer had to have at his disposal for at least a ten-month<sup>1</sup> period, land which supported that claim.

In 2005, farmers were required to have land which supported their claim for entitlements at their disposal for a single period of ten months. However, in 2006, farmers are now able to have two separate ten-month periods for the land supporting their claim. This aims to aid farmers who have numerous short-term lets. The two start dates must begin between 1<sup>st</sup> October and 30<sup>th</sup> April in

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<sup>1</sup>Commission Regulation (EC) 795/2004 laying down detailed rules for the implementation of the single payment scheme provided for in Council Regulation (EC) No 1782/2003 establishing common rules for direct support schemes under the common agricultural policy and establishing certain support schemes for farmers OJ 2004 L141/1 Article 24(2); Welsh Statutory Instrument No. 360/2005 The Common Agricultural Policy Single Payment and Support Schemes (Wales) Regulations 2005 at Section 6

any given year. The minimum size of holding that could claim the SPS was set out in the Common Agricultural Policy Single Payment and Support Schemes (Wales) Regulations 2005.<sup>2</sup>

Some issues have arisen in relation to the definition of 'at the farmer's disposal' because although it is obvious when the farmer is the owner or has a lease, it may not be so clear when there are multiple users who has the land at their disposal. The terms of any sub-letting or contractual agreements need to be clear as to who has the land at their disposal, who can claim the entitlement and therefore has responsibility for satisfying the cross compliance conditions. Farmers in this regard often ignore the need for legal measures and agreements and although lawyers have begun to address these issues in new agreements, several old agreements exist which do not consider the requirements of the SPS.

It is still possible to tack<sup>3</sup> within the ten-month rule but both farmers involved must come to an agreement about the conditions attached to that tack. In order to determine what is meant by at the farmer's disposal or control under the Single Payment Scheme the following factors are considered; how long the farmer is able to use the land subject to the rules on the transfer of land on the entire holdings, who is carrying out an agricultural activity or keeping the land in good agricultural and environmental, the terms of any agreement between the farmers and finally who has disposal/control over the use of the land and access to it so as to ensure that it is put only to eligible uses. Such factors are not to be regarded as an exhaustive list, however they can be taken into account when establishing whether a farmer has land at their disposal for a ten-month period. It is important to consider that farmers must also be able to prove that they have land at their disposal or control through their practices on the land and not just through an agreement. If the land is not in fact at their disposal in the ten-month period, they will not meet one of the key conditions for the Single Payment Scheme and the WAG may refuse payment.

The national reserve is the fund of money available to be distributed to farmers who had no historic entitlements during the reference period. This reserve was achieved by taking up to three per cent of the total money available in Wales for SPS entitlements in 2005. In 2006, and future years, money for the national reserve has come from unclaimed entitlements, which inevitably means that less money has been available from 2006 onwards for allocation of entitlements from the national reserve.

During the first year of implementation of the SPS some farmers were eligible to apply to the National Reserve for SPS entitlements. In Wales, those who had an automatic right to apply were farmers who developed their farm between 2000 and 2004, had taken on additional land subject to specified circumstances, were participating in national agri-environment schemes, were engaged in dairying in specified circumstances and are now new entrants<sup>4</sup>

Although provisions were put in place under the National Reserve for new entrants to be eligible to apply for entitlements it is difficult to analyse whether or not these have succeeded in preventing young farmers from being disadvantaged by the historical basis of the SPS introduced in Wales. No scheme or financial aid exists at present which provides new entrants with financial support to purchase entitlements and given the high capital costs in buying entitlements in addition to renting or buying land it makes it virtually impossible for new entrants to start farming in Wales since 2005.

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<sup>2</sup> Welsh Statutory Instrument 2005 Number 360 provides details of the minimum size of holding under section 5 and states that for the purposes of Article 12 (6) of Regulation 795/2004 the minimum size of a holding for which the establishment of an entitlement may be requested is 0.3 hectares.

<sup>3</sup> The colloquial term for grazing for short periods of time

<sup>4</sup> Only for 2005

Any entitlements awarded from the National Reserve can only be used in Wales, cannot be transferred or leased for five years and must be used every year for the five years otherwise they will be lost. After the five years Reserve entitlements become standard SPS entitlements.

## 1.2. Cross compliance

One of the major changes following the implementation of the Single Payment Scheme is that farmers are required to adhere to cross compliance. Cross compliance is a legal requirement contained in Council Regulation 1782/2003.<sup>5</sup> Secondary legislation has been implemented in Wales to provide detailed provisions of what is required to achieve cross compliance in Wales. There are three aspects to cross compliance:

- Requirements concerning permanent pasture;
- Statutory Management Requirements (SMRs);
- The requirement that land must be maintained in Good Agricultural and Environmental Condition (GAEC)

The Statutory Management Requirements (SMR's) were required by farmers before the SPS came in to force in the form of European Regulations and Directives. These have been integrated within the cross compliance requirements of the SPS. They relate to the environment, public, plant and animal health and animal welfare. These existing obligations now carry a higher sanction/penalty for not adhering to their requirements given that farmers can lose their payment under the SPS for not implementing them.

Farmers are required to keep their land in Good Agricultural and Environmental Condition (GAEC). These are regulations that are designed specifically for Wales, under a framework prescribed by the EU. The main GAEC aspects are: soils, soil erosion, soil organic matter, soil structure, overgrazing, under-grazing, supplementary feeding, boundaries, historical features, permanent pasture, heather and grass burning, environmental impact assessment, and tree felling and preservation. Given that the GAECs are the aspect of cross compliance which differs from Member State to Member State, outlined below is the main contents of these conditions.

GAEC A1 relates to the soil and specifically to soil erosion. It requires farmers to ensure that the soil management assessment checklist that they must complete is reviewed annually. Farmers should carry out checks to ensure that soil run-off onto roads and highways is kept to a minimum, and to ensure that heavy trampling, rutting or poaching associated with unsuitable supplementary feeding is kept in a reasonable condition.

Soil organic matter is covered by GAEC A2 which advises that ploughing should not be carried out too deep, and that regular amounts of farmyard manure are put on fields.

GAEC A3 refers to soil structure. The main requirement is to not carry out cultivations where surface water is present on the ground or the ground is waterlogged, and to select outdoor feeding sets carefully and be prepared to regularly rotate them. Soil structure can also be kept in a good condition by avoiding feeding areas which can become heavily poached and using low pressure tyres or dual wheels where necessary on farm machinery.

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<sup>5</sup>Council Regulation (EC) 1782/2003 establishing common rules for direct support schemes under the common agricultural policy and establishing certain support schemes for farmers and amending Regulations (EEC) No 2019/93, (EC) No 1452/2001, (EC) No 1453/2001, (EC) No 1454/2001, (EC) No 1868/94, (EC) No 1251/1999, (EC) No 1254/1999, (EC) No 1673/2000, (EEC) No2358/71 and (EC) No 2529/2001 OJ 2003 L270/1

Overgrazing is dealt with by GAEC B, and applies to semi-natural vegetation, woodland, moorland, rough grazing, heathland, species rich grassland, traditional meadows, mire, bogs, swamps and wet, marshy grasslands. Farmers are required to avoid overstocking and avoid localised overgrazing. It is suggested this can be avoided by regular shepherding on open hills.

GAEC C relates to under-grazing, and the main requirement of this GAEC is to not abandon land and to manage land by grazing or by cutting or to remove cut vegetation and to not burn that vegetation in situ. The control of injurious weeds should also be carried out. Furthermore, reasonable steps should be taken to prevent the spread of rhododendron, giant hogweed, Japanese knotweed, and Himalayan balsam. It is also important and a requirement that the land is not used for non-farm vehicular use.

Supplementary feeding is referred to in GAEC D, and is a traditional part of upland stock management and provides essential food at certain times of the year to stock in those areas. However, supplementary feeding must be provided in a way which does not lead to the poaching of soil or vegetation, and to avoid this, feed locations should be moved on a regular basis and areas where sensitive vegetation is growing should be avoided for this purpose. Feeders should be located at least 10 metres from any watercourse and surplus feed left on the ground to rot should be removed. It is suggested that loose hay should be used rather than silage; however, this is, although advised, a difficult requirement for farmers to carry out in practice, given that hay is more expensive than silage, if to be bought in, and furthermore, the production of hay in the summer months is more difficult and depends on the areas of land which are farmed.

GAEC E relates to boundaries, in particular field boundaries, which are viewed as a valuable shelter for stock, nesting cover for birds, and a variety of habitats and food for wildlife. The main requirements are that stonewalls, stone-faced banks, hedges, and earth banks are retained, and that consent is required from the local authority under the Hedgerow Regulations to remove any hedges. Existing gaps in a hedge cannot be widened to more than 10 metres to enable machinery or animal access. Furthermore, hedges cannot be trimmed between the 1<sup>st</sup> of March and the 31<sup>st</sup> of August, unless the hedgerow overhangs a public highway and/or footpath and is causing unnecessary obstruction, the hedgerow is dead, diseased or damaged, there is a danger that overhanging electricity or phone lines could be obstructed or damaged, or there has been an Enforcement Notice issued by the County Council under the Highways Act 1980 Section 154. However, these exceptions can only be carried out if the farmers meet the obligations under the Protection of Wild Birds under the Wildlife and Countryside Act 1981 and also under SMR 7.

GAEC F refers to historical features and requires that farmers do not cause any damage to historic features contained on their land. Farmers should also prevent any growth of vegetation which might obscure or disturb remains below ground and should prevent the trampling and erosion of monuments. They should not be damaged by vehicles or by materials and rubbish.

Permanent pasture is covered by GAEC G. Permanent pasture is defined as grassland that has been established for more than five years, and fields that are regularly improved and classed as grazing, pasture or fodder grassland should be maintained as such in order to achieve this requirement.

GAEC H refers to the heather and grass burning code and requires farmers to complete all burning within the permitted period in order to avoid damage to nesting birds and also to comply with the national legal requirements and restrictions, together with local bylaws. A programme should be drawn up of essential burning on a sound rotational basis, and natural boundaries should be chosen wherever possible to prevent the spread of fires.

Environmental impact assessment and regulations for the use of uncultivated land and semi-natural areas are covered by GAEC I. They apply to agricultural intensification projects affecting all semi-natural areas and uncultivated land, for example, rough grazing, moorland, heathland. Farmers must apply for screening of land and ensure that it meets its criteria as stated under field checks and also to adhere to stop or reinstatement notices served by the Welsh Assembly Government. The field checks that are required are to check if screening consent has been received for carrying out activities on such land, and land is likely to be deemed to be semi-natural and uncultivated if the proportion of clover, rye or grass is less than 25-30%.

Tree preservation and felling is covered by GAEC J. Tree preservation orders are made by local authorities to protect trees, groups of trees, and woodlands that are of local amenity. These should not be breached under this GAEC, and felling licences should be obtained for any trees which are to be felled irrespective of whether there is a tree preservation order in place.

Sites of Special Scientific Interest are covered by GAEC K, and this GAEC requires farmers to adhere to the management agreement created for SSSIs and to which they are subject.

GAEC L relates to set-aside, and if a farmer has set aside land in support of the SPS set-aside entitlements, they should follow the set-aside management requirements and check that the area of set-aside land is eligible.

Following the implementation of the SPS, no legal action has been brought by a farmer in Wales in respect of the SPS. However, in England a farmer has brought an application for judicial review against the Secretary of State in respect of the Common Agricultural Policy Single Payment and Support Schemes (Cross compliance) (England) Regulations 2004 Schedule 1. R (on the application of Horvath) v Secretary of State for the Environment, Food and Rural Affairs<sup>6</sup> is therefore the first case which has been brought in relation to the legal order under the Single Payment Scheme. The main issue of the case relates to whether the Secretary of State was entitled to include in the provisions of these Regulations that farmers had to comply with certain duties in relation to Public Rights of Way over their land, and that if farmers did not, they could risk a reduction in their entitlement under the Single Payment Scheme. Furthermore, the case deals with the issue of whether the Secretary of State for England was entitled to include such provisions when no such provisions had been included in the comparative regulations in the other regions of the UK i.e. Wales, Scotland, and Northern Ireland. The claimant argues that because these requirements went beyond the “minimum requirements”, referred to in Council Regulation 1782/2003 Article 5.1 they were disproportionate. These issues have been referred to the European Court of Justice for a preliminary ruling.<sup>7</sup> We await their decision.

### **1.3. Enforcement**

Inspections are carried out under the SPS to ensure that farmers are adhering to the cross compliance requirements. At least one per cent of holdings in Wales are chosen for a full cross compliance inspection each year, which involves inspecting all land and livestock belonging to a farmer to ensure they meet cross compliance requirements. At least five per cent of farmers are chosen for SPS eligibility checks. This involves checking that the land is available to the farmer for the ten-month period as required by the ten-month rule. At least ten per cent of farmers are chosen for cattle identification inspections, which involves checking ear tags, passports, movements and records for all cattle on a farmer’s holding. In 2006, there was a five per cent inspection requirement to inspect sheep identification, which involved checking ear tags and sheep records. Added to these inspection requirements, inspections may be carried out if breaches are reported by the public or other enforcement agencies, such as the Environment

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<sup>6</sup> [2007] EWCA Civ 620 (CA)

<sup>7</sup> See [2007] EWCA Civ 620.

Agency, Trading Standards and Countryside Council for Wales, who have responsibility for ensuring compliance with certain SMRs.

During the first year of cross compliance *Gwlad*<sup>8</sup> reports that farmers have adapted well to the cross compliance requirements.<sup>9</sup> However some breaches did occur and the most common discrepancies uncovered by the inspectors were in relation to the following SMRs:

1. Statutory Management Requirements 1 and 2 regarding cattle identification. Several farmers failed to report a cattle movement to the British Cattle Movement Society, failed to return the passport of a dead animal, animals were presented on a holding without passports, incorrect dates of birth were recorded on passports, and animals had not been tagged or tagged incorrectly.
2. Under Statutory Management Requirement 4 in relation to sheep identification, some breaches involved sheep and goat records not being maintained in accordance with the requirements and sheep and goats not being tagged within the deadline.
3. Under Statutory Management Requirement 5 regarding ground water, breaches included unauthorised disposals of slurry and silage effluent and unauthorised disposal of sheep dip or pesticide washings.

Furthermore there were also breaches to the requirement of keeping the land in good agricultural and environmental condition.

1. Under GAEC C overgrazing of natural or semi-natural habitat where no existing management prescription is set was found.
2. Under GAEC D supplementary feeding was carried out within 10 metres of a water course in breach of the conditions and furthermore supplementary feeding causing damage to habitat that could not recover to its natural state by the next growing season was also found.
3. Under GAEC A failure to undertake remedial action identified on the soil assessment form within the specified timescale was identified as a breach.
4. Under GAEC E hedges being cut or trimmed within a closed period outside allowable exemptions were also uncovered by inspections.<sup>10</sup>

The relevant authorities for inspection and enforcement of the EU Regulatory Requirements are the Welsh Assembly Government (WAG), the State Veterinary Service, Environment Agency Wales, Food Standards Agency, Countryside Council for Wales and local authorities.

## 2. Methodology

The main impetus for the research was to discover the perceptions of farmers and key agricultural industry stakeholders on the changes that had been made to the CAP following the Mid-Term Review. This interest is fuelled by the fact that they are the main people at the receiving end of these policies and are likely therefore to have a good understanding of the practical difficulties which are incurred in their implementation and enforcement.

Three main methodologies were employed. First, questionnaires were distributed to farmers at the Winter Fair, Builth Wells in 2004 prior to the implementation of the Single Payment Scheme in Wales. These provided quantitative data used to inform an initial idea of the views held by farmers regarding the pending implementation of the SPS in Wales.

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<sup>8</sup> National Assembly for Wales Magazine on Rural Issues

<sup>9</sup> *Gwlad* Issue 48 January 2006 at p.11

<sup>10</sup> *Gwlad* Issue 48 January 2006 at p.11

Second, focus groups held with farmers across four counties in Wales were used to generate qualitative data which further developed the quantitative data obtained from the questionnaires providing a more detailed understanding of the concerns held by farmers with regard to the implementation and enforcement mechanisms employed under the SPS.

Third, interviews were held with key industry stakeholders in order to ascertain their views in relation to the implementation and enforcement of the SPS. These stakeholders can be divided in to four categories; Assembly Ministers, rural professionals, policy advisers and field officers.

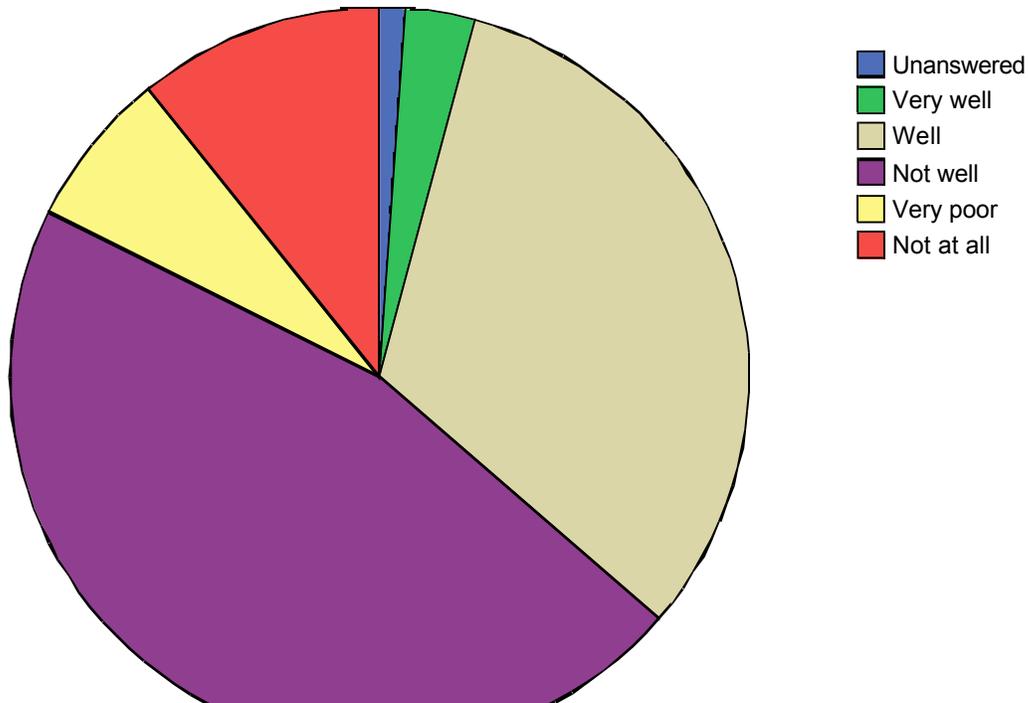
### 3. Perceptions of Farmers

#### 3.1. Analysis of the results obtained from the questionnaires

Figure 1 shows that the significant number of respondents (46%) stated that they thought they understood the changes made by the Mid Term Review to the CAP well and that only very few had a very good understanding of the changes that had occurred. It is unfortunate to realise that 10.7% of respondents had in their opinion no understanding whatsoever of the Mid Term Review changes.

**Figure 1**

**Understanding of Mid-Term Review changes to CAP by farmers in Wales**



Respondents were asked to make a comparison between the SPS and the previous system of payments that had existed in Wales. Respondents were asked to answer this question in relation

to how time consuming they thought it would be and how easy it would be to administer in comparison.

Figure 2 shows the responses received in relation to the time farmers felt they would use in relation to the SPS and clearly shows that respondents felt that the SPS would be less time-consuming. It would be interesting to conduct a further enquiry now that the SPS has been implemented to ascertain whether farmers are still of the same opinion.

## Figure 2

**Comparison of how time consuming SPS would be in comparison to previous system of direct financial aid**

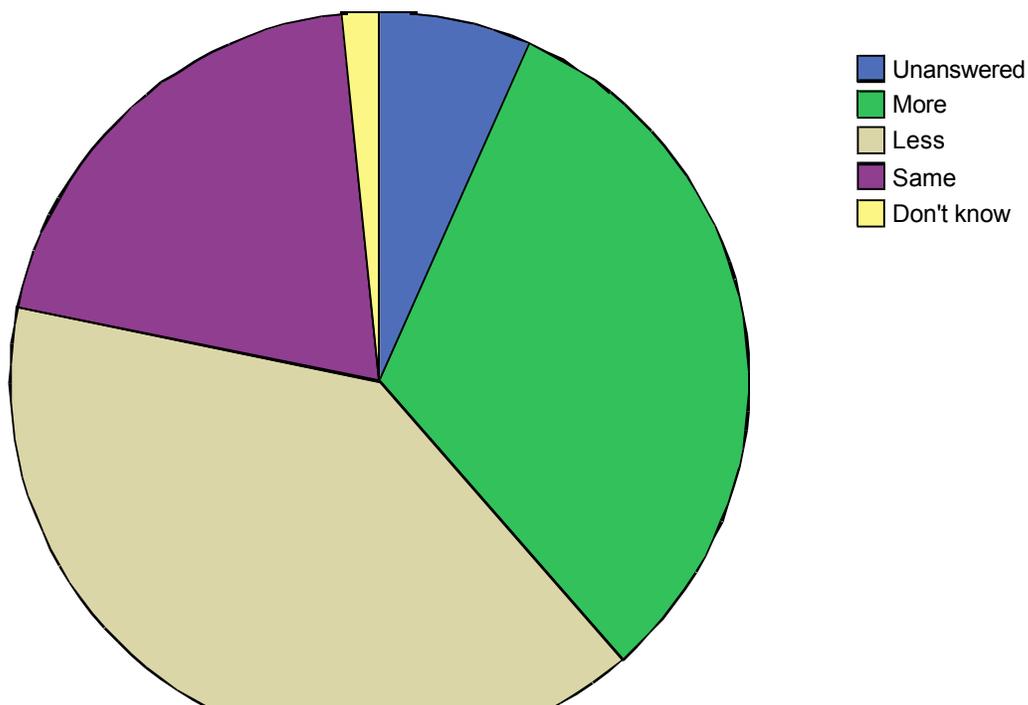
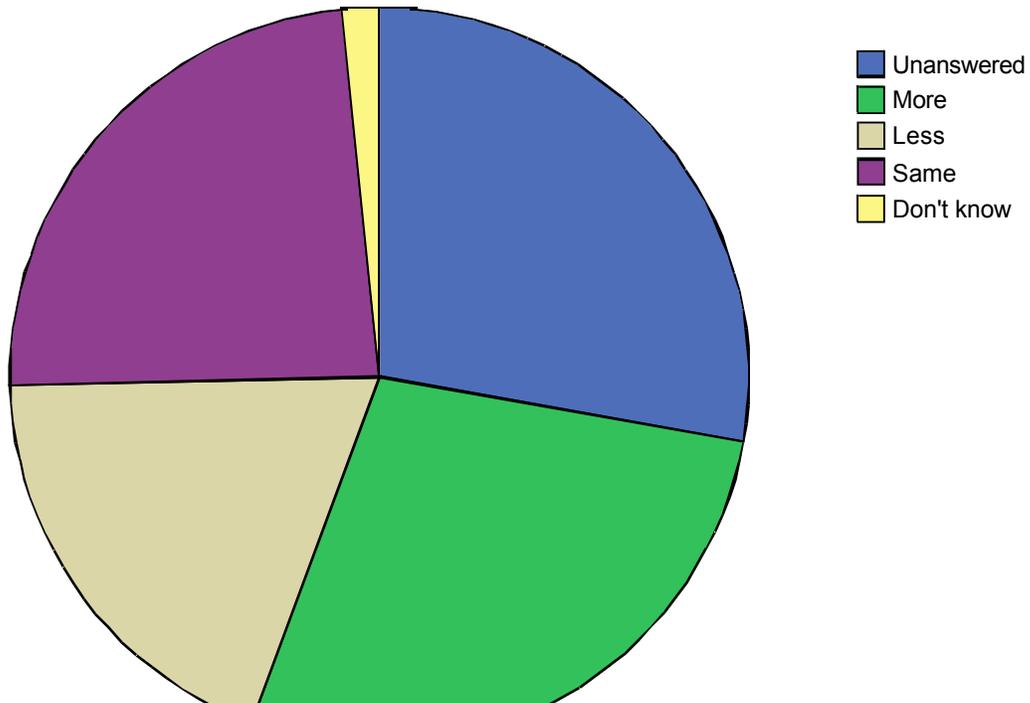


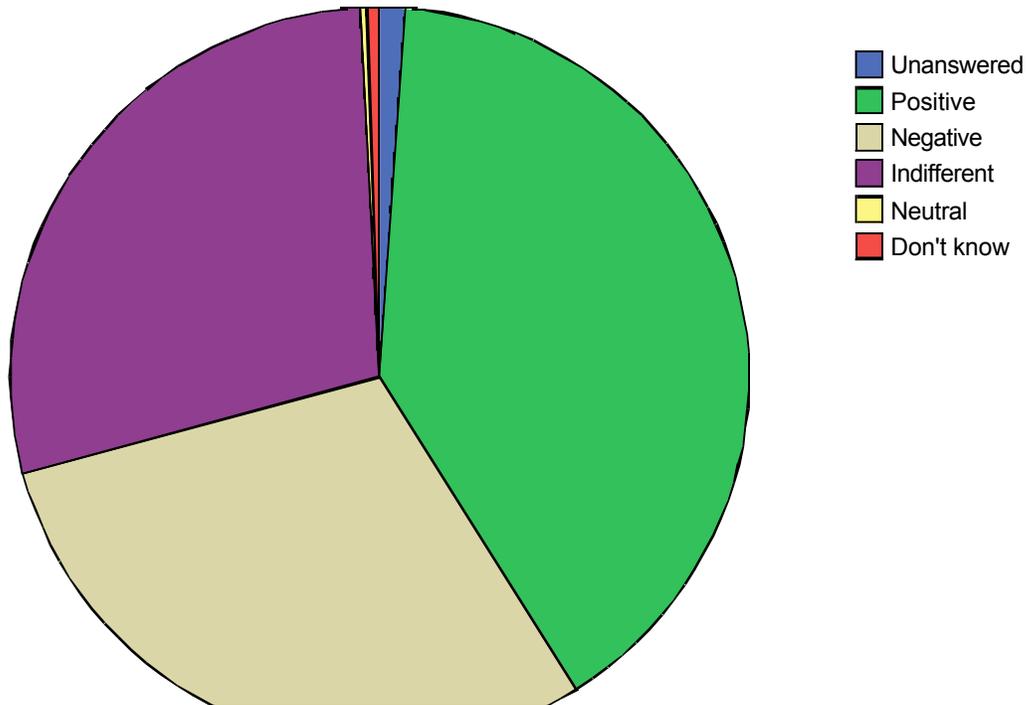
Figure 3 shows that respondents felt that the SPS would be easier to administer than the previous system.

**Figure 3**

**Comparison of how easy SPS would be to administer in comparison to previous system of direct financial aid**



One of the most interesting discoveries from the responses received was in relation to the question which asked respondents to describe how they feel about the future of agriculture in Wales. Figure 4 shows that farmers are mostly positive about the future of farming which is an encouraging result.

**Figure 4****Farmers' perception of the future of farming in Wales**

One respondent mentioned that the future of agriculture in his opinion “depends on our fight.”<sup>11</sup>  
 One respondent stated that he is very concerned.<sup>12</sup>

Respondents were asked what they thought was the main aim of cross compliance. A significant number (42.1%) believed it to be environmental protection. This is interesting given that only 6.3% believed its main aim is environmental enhancement. This shows that farmers believe that current regulatory frameworks are designed to protect the environment and are not introduced for the purpose of environmental improvements or enhancement. Farmers are aware that cross compliance reflects a basic environmental requirement designed to protect the current landscape whilst other schemes concentrate more heavily on improving the environmental quality of the land.

<sup>11</sup> Questionnaire Number 44 Question 10

<sup>12</sup> Questionnaire Number 11 Question 10

Figure 5

The main aim of the cross compliance requirements

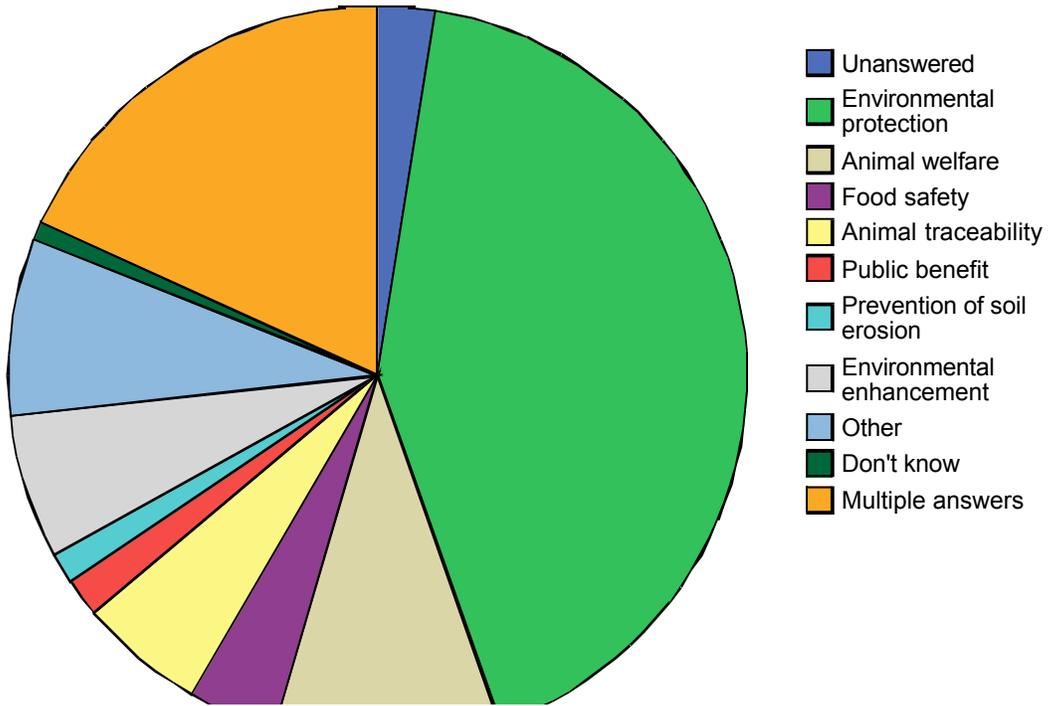


Figure 6 shows that farmers did not necessarily believe that the compulsory nature of the cross compliance requirements would ensure they were carried out.

**Figure 6**

**Compulsory nature of cross compliance will ensure adherence to its requirements**

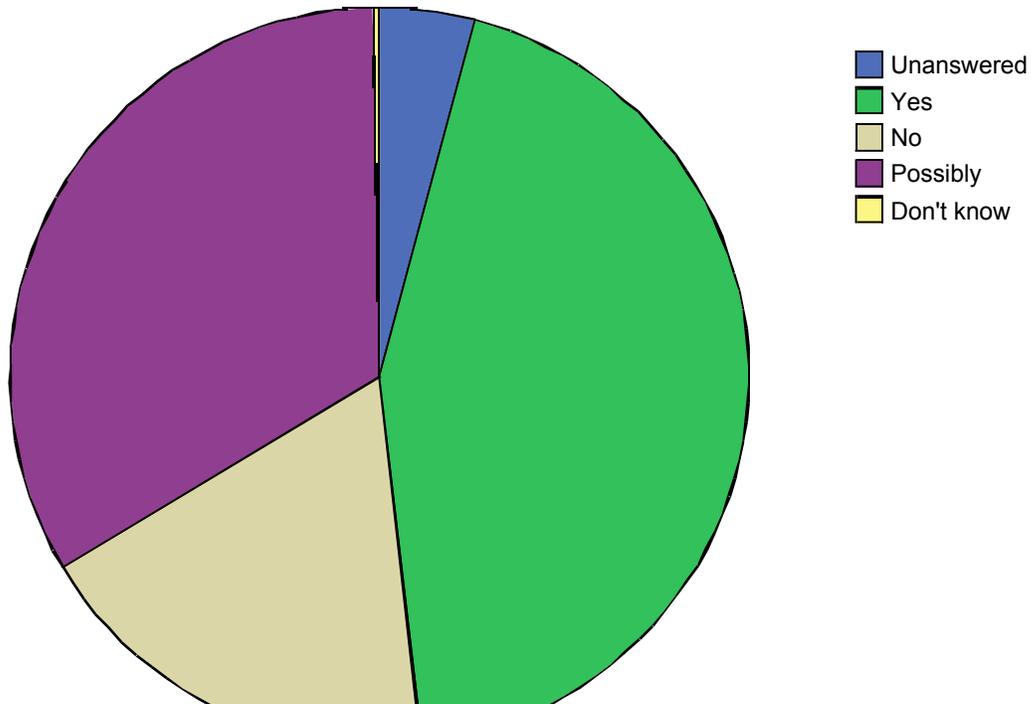


Figure 7 shows that farmers believe it will not be easy to adhere to cross compliance requirements with 50.4% of respondents stating this. It is worthy of note that 20% felt that it would be easy to accomplish cross compliance requirements. This might have a direct correlation to the type of farm or farming enterprise that they farmed because some would find this easier than others. Again, commonsense was mentioned as being a necessary pre-requisite.<sup>13</sup>

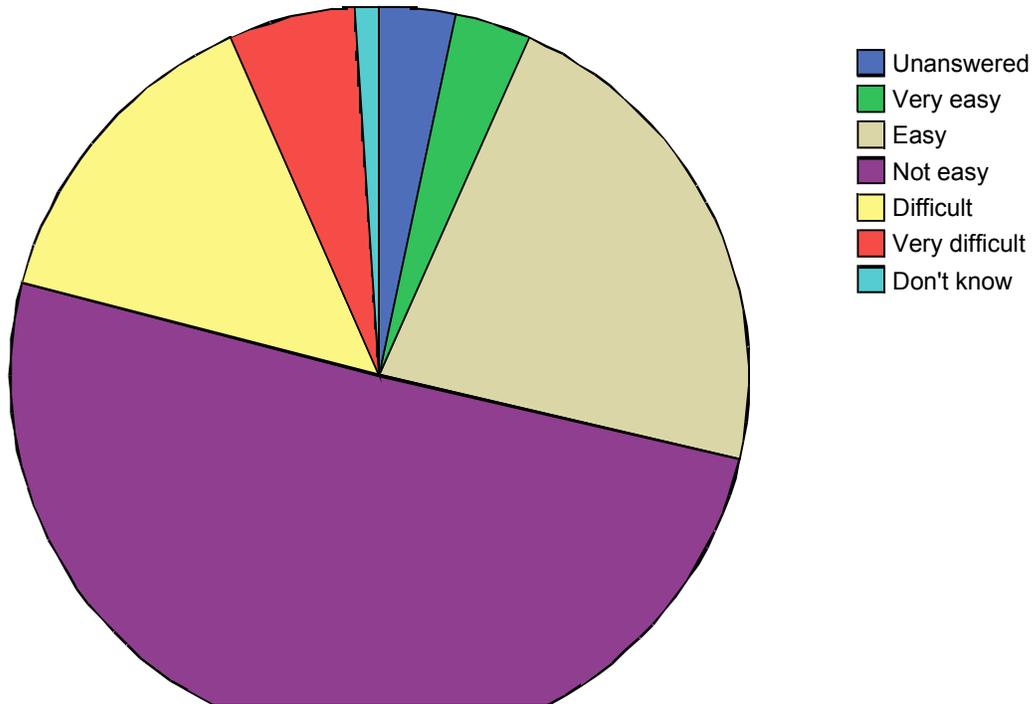
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<sup>13</sup> Questionnaire Number 235 Question 11. The commonsense theme being one which frequently arose in the focus groups.

However, one respondent noted that they were concerned about the labour implications of adhering to the cross compliance requirements.<sup>14</sup>

**Figure 7**

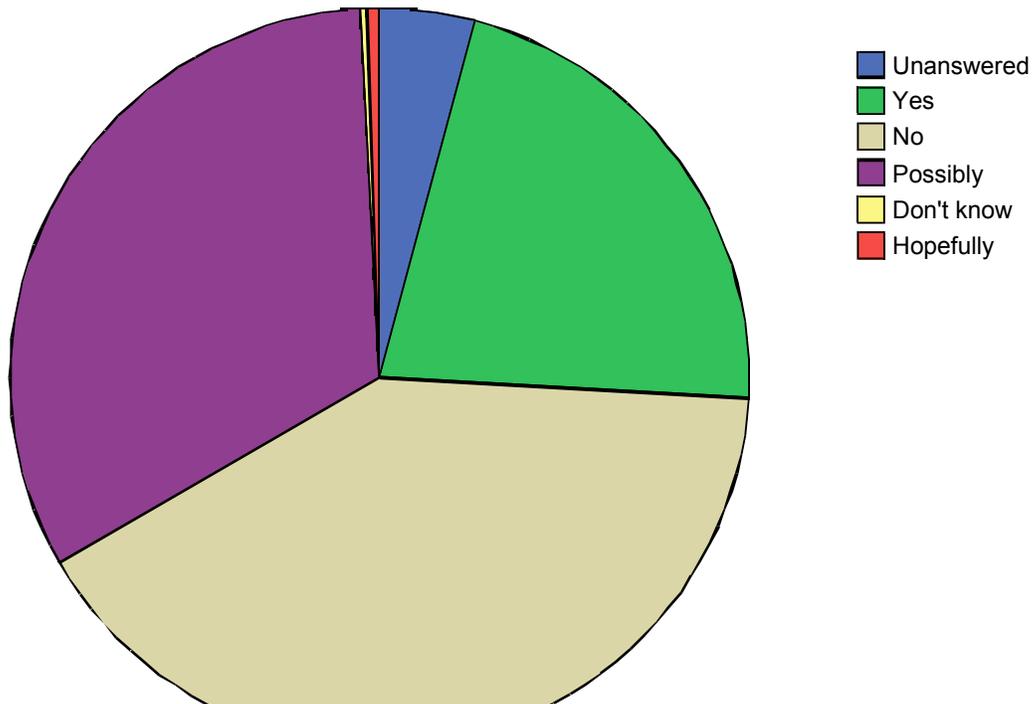
**Ease with which farmers believe they will adhere to cross compliance requirements**



Cross compliance requirements are not regarded as guidelines for better farming practices by 40.8% of respondents. One respondent noted he believed that it would lead to better farming practices but also believed that current farming practices are of a high standard.<sup>15</sup> However one must also point out that 32.5% are not sure and think that this is only a possibility. This suggests that farmers are interested in receiving the payments for monetary purposes and not because they believe it will lead to better farming practices.

<sup>14</sup> Questionnaire Number 44 Question 11

<sup>15</sup> Questionnaire Number 175 Question 11

**Figure 8****Cross compliance requirements will lead to better farming practices**

The last question in the questionnaire was an open one that allowed farmers to put in their own words what they thought would be the affect of the Mid Term Review of the CAP on agriculture in Wales. Most answers were brief and provided an interesting insight into what farmers thought just before the implementation of the SPS in January 2005. The main theme in responses was that respondents were uncertain about the future further to implementation of the Mid Term Review. Twenty-five participants simply answered, "don't know" and a further nineteen responded with "time will tell."

Of those that went on to explain what they thought the nature of the change would be, twenty respondents thought that less stock would be kept on Welsh farms. Only one respondent made the connection that this would mean less food production<sup>16</sup> a further three respondents mentioned less produce.<sup>17</sup> A couple of participants thought that this would lead to better quality of stock.<sup>18</sup> One thought that there should be better prices due to less stock being kept.<sup>19</sup> Three

<sup>16</sup> Questionnaire Number 175 Question 24

<sup>17</sup> Questionnaire Numbers 274, 302 and 303 Question 24

<sup>18</sup> Questionnaire Numbers 283, 297 Question 24

<sup>19</sup> Questionnaire Number 208 Question 24

participants thought that the changes would shift the emphasis from production to better marketing.<sup>20</sup> A further five respondents believed that farmers would adapt a more professional approach because only those that ran a financially viable business would survive.<sup>21</sup>

A few participants thought that young people would leave the industry, however about the same number thought that young people would adjust better to the changes. Many used this question to voice their opinion as to what they would like to see happen as a result of this Review, e.g. “hopefully land to buy and rent will be cheaper”<sup>22</sup> Another was hopeful it would benefit Welsh farming if their case was put forward properly.<sup>23</sup> One participant<sup>24</sup> was not hopeful; as he did not think that politicians should be making decisions on things they knew very little about, as they had no practical experience. Finally, one participant wanted to point out that the future of agriculture depended on many other things in addition to the impact of the Mid-Term Review of the CAP.<sup>25</sup>

This shows that farmers feel that there is a lack of communication between various actors in the agricultural industry. Furthermore, it shows farmers are aware of the multifunctional role that agriculture plays in rural communities. These conclusions were explored further in the focus groups held with farmers.

### **3.2. Analysis of the results obtained from focus groups with farmers in Wales**

#### **3.2.1. Implementation of SPS**

The majority of the discussions on the implementation of the SPS were in relation to the implementation of the cross compliance requirements. The focus groups took place at the onset of the SPS; therefore the need to follow the rules of cross compliance was foremost in farmers’ minds.<sup>26</sup>

Most farmers were aware that this would call for more rules to be followed.<sup>27</sup> Many thought that trying to follow all the criteria of cross compliance was going to be overwhelmingly difficult<sup>28</sup> There was a feeling of general concern, some mentioned that they were worried or even nervous as they were aware that their main farm income was reliant on them being able to adhere to the requirements of cross compliance. Some were obviously confused as to what cross compliance meant<sup>29</sup> and others thought that the rules would be easy to break. By its very nature the essentials of farming changes all the time, making it difficult to adhere to any strict code of practice.<sup>30</sup> It was pointed out by a couple of farmers that having too many rules would have an adverse effect because if farmers found them to difficult to follow they would feel that they needed strategies to avoid complying.<sup>31</sup>

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<sup>20</sup> Questionnaire Numbers 10, 233 and 309 Question 24

<sup>21</sup> Questionnaire Numbers 73, 141, 154, 158 and 160 Question 24

<sup>22</sup> Questionnaire Number 173 Question 24

<sup>23</sup> Questionnaire Number 273 Question 24

<sup>24</sup> Questionnaire Number 351 Question 24

<sup>25</sup> Questionnaire Number 296 Question 24

<sup>26</sup> FG 1, Farmer 3, at p.109

<sup>27</sup> FG 1, Farmer 1, at p.87

<sup>28</sup> FG 7, Farmer 2, at p.19

<sup>29</sup> FG 2, Farmer 3, at p.20

<sup>30</sup> FG 3, Farmer 3, at p.61

<sup>31</sup> FG 3, Farmer 2, at pp.32-33

Others were not as worried as they felt that as they belonged to schemes such as Tir Gofal<sup>32</sup> and Farm Assurance<sup>33</sup> already that they were following most of the requirements.

Improving the environment was seen as a positive outcome of cross compliance, one benefit being that those farmers that had diversified into tourism would have more to offer their guests.<sup>34</sup> It was realised that farmers had a responsibility to look after the countryside for future generations.<sup>35</sup>

Farmers on the whole resented being inspected, they did not feel that they should be judged on the requirements of cross compliance but rather on the quality of their produce.<sup>36</sup> It was thought that it should be obvious whether a farm was well kept or not from its general appearance. Inspections did not need to be so invasive. It was felt by one farmer that he would have to explain why he did something in a certain way.<sup>37</sup> One felt insulted that anyone thought that he was likely to ruin his own land.<sup>38</sup>

Not much confidence was shown as to the calibre of the inspectors. Some thought that they understood little about farming, many being collage trained. Concern was shown as to the power inspectors had<sup>39</sup> and whether that could be used against them. Another worry was how the rules would be interpreted<sup>40</sup> and how strict the inspectors would be.<sup>41</sup> Some thought that cross compliance had been created to create well paid jobs in the industry.<sup>42</sup>

Farmers voiced their concern as to the amount of paperwork that would be involved; they were unfamiliar with having to note everything on paper.<sup>43</sup> Some said that they did not understand<sup>44</sup> and one said that he was scared.<sup>45</sup> It was mentioned often that farmers really did not have time to sit down and complete a lot of paperwork.<sup>46</sup> More than one thought, "good farming practice" referred to keeping paper work in good order and that this was considered more important than looking after farm animals to a high standard.<sup>47</sup>

When discussing cross compliance several issues were raised which the farmers did not agree with. Common sense was again mentioned regularly in regard to some regulations.<sup>48</sup> They were worried about the regulation regarding the poaching of fields as they felt they had little control over this in the winter months.<sup>49</sup> It was thought impossible to feed animals outside in winter

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<sup>32</sup> FG 3, Farmer 3, at p.60

<sup>33</sup> FG 1, Farmer 3, at p.79

<sup>34</sup> FG 1, Farmer 1, at p.97

<sup>35</sup> FG 3, Farmer 3, at p.38

<sup>36</sup> FG 3, Farmer 3, at p.31

<sup>37</sup> FG 7, Farmer 4, at p.18

<sup>38</sup> FG 2, Farmer 5, at p.21

<sup>39</sup> FG 1, Farmer 4, at p.80

<sup>40</sup> FG 2, Farmer 6, at p.17

<sup>41</sup> FG 7, Farmer 6, at p.15

<sup>42</sup> FG 4, Farmer 2, at p.18

<sup>43</sup> FG 7, Farmer 4, at p.20

<sup>44</sup> FG 7, Farmer 1, at p.60

<sup>45</sup> FG 7, Farmer 3, at p.21

<sup>46</sup> FG 7, Farmer 1, at p.19

<sup>47</sup> FG 3, Farmer 2, at p.34

<sup>48</sup> FG 1, Farmer 4, at p.81

<sup>49</sup> FG 2, Farmer 4, at p.18

months without this causing some damage to the soil.<sup>50</sup> Farmers did not think that it should be made so difficult to dip sheep as they felt it was good practice to control parasites effectively on their sheep.<sup>51</sup> In fact one thought that the reverse was true, that dipping should be made compulsory and someone should come out to check that the farmer did it correctly.<sup>52</sup>

They did not think that it was understood how easy it is for animals to loose their tags and how difficult it was to monitor this.<sup>53</sup> Welsh mountain sheep especially were notorious for sticking their heads through fences and loosing their tags.<sup>54</sup> One farmer however thought that once the initial work of setting a tagging system had been completed, it was then not too difficult to maintain.<sup>55</sup> All tags that are lost must be replaced and this incurs additional cost and work especially as animals manage to loose their tags so often.<sup>56</sup>

A few farmers thought that the new regulation in regard of when they were now able to cut hedges was going to adversely affect them.<sup>57</sup> One farmer pointed out that as hedge cutting would now be condensed into fewer months and as many farmers did not own their own equipment, contractors would find it difficult to complete the work within the stipulated time.<sup>58</sup>

Many found the change in emphasis difficult to accept. One farmer could not understand how good farming practice could change; it should always be the same.<sup>59</sup> At one time keeping hedges trim and tidy was considered good practice.<sup>60</sup> Now hedges should be allowed to grow, fenced at some distance on either side to ensure their protection.<sup>61</sup> It was not thought that an overgrown farm looked good, one farmer referred to seeing docks as big as trees,<sup>62</sup> another to clumps of old white grass.<sup>63</sup> There was sympathy with looking after the environment,<sup>64</sup> but one pointed out that providing liberal access to the public was one sure way to destroy it.<sup>65</sup> Concern was shown that cross compliance was just beginning and that the requirements would become even more detailed as time went on.<sup>66</sup>

There was a general consensus that farmers did not really have the time or money to spend on cross compliance<sup>67</sup> or as one farmer remarked,  
*"Allu di ddim ennill!"*<sup>68</sup>

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<sup>50</sup> FG 6, Farmer 1, at p.24

<sup>51</sup> FG 4, Farmer 1, at p.45

<sup>52</sup> FG 5, Farmer 2, at p.29

<sup>53</sup> FG 5, Farmer 1, at p.21

<sup>54</sup> FG 6, Farmer 1, at p.33

<sup>55</sup> FG 5, Farmer 2, at p.20

<sup>56</sup> FG 5, Farmer 1, at p.21

<sup>57</sup> FG 7, Farmer 2, at p.17

<sup>58</sup> FG 7, Farmer 2, at p.17

<sup>59</sup> FG 4, Farmer 2, at p.46

<sup>60</sup> FG 4, Farmer 1, at p.44

<sup>61</sup> FG 4, Farmer 4, at p.47

<sup>62</sup> FG 4, Farmer 2, at p.48

<sup>63</sup> FG 4, Farmer 1, at p.48

<sup>64</sup> FG 4, Farmer 1, at p.21

<sup>65</sup> FG 3, Farmer 2, at p.70

<sup>66</sup> FG 7, Farmer 5, at p.16

<sup>67</sup> FG 7, Farmer 6, at p.14

<sup>68</sup> FG 6, Farmer 3, at p.24

Translation: "You cannot win!"<sup>69</sup>

### 3.2.2. Enforcement of SPS

Again, one of the main themes in the discussion on enforcement was commonsense.<sup>70</sup> It was very easy to make a mistake<sup>71</sup> and difficult to comply with every small detail. When the weather was wet it was impossible not to leave a track when a tractor was driven through a gateway.<sup>72</sup> One farmer said that he thought that it was "unreasonable" just to give overnight warning of an inspection.<sup>73</sup> Another farmer thought that inspectors should ring up and ask "When is it convenient?"<sup>74</sup> so that they would not clash with lambing or harvest time.

Farmers felt that one of the attributes of the SPS was to create work for other people, many on high wages.<sup>75</sup> It was felt that inspectors were paid to give farmers "harassment"<sup>76</sup> and that it was necessary for them to find something wrong on the farm to justify their jobs.<sup>77</sup>

Farmers felt that they had to prepare for inspections and this could be time consuming.<sup>78</sup> Some farmers now employed "agents" as they felt that they did not understand all that was asked of them under the new regulations.<sup>79</sup> One farmer said that dairy inspections were fairer as the inspector just turned up unannounced.<sup>80</sup> Another farmer thought that inspectors just tried to catch him out as information about his holding was already in their possession.<sup>81</sup>

Not all farmers saw inspections as a problem<sup>82</sup> or as one farmer put it,

*"Os nag oes gen ti broblam, does na ddim problem oes na."*<sup>83</sup>

Translation: "If you don't have a problem, it isn't a problem is it?"<sup>84</sup>

Another farmer thought that the situation had been exaggerated just to try and make sure that all farmers complied.<sup>85</sup>

It was felt by farmers that standardization of the rules associated with the SPS was important.<sup>86</sup> The Farmer's Unions had been instrumental in providing the farmers with the necessary

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<sup>69</sup> FG 6, Farmer 3, at p.24

<sup>70</sup> FG 1, Farmer 2, at p.83

<sup>71</sup> FG 1, Farmer 1, at p.84

<sup>72</sup> FG 2, Farmer 3, at p.25

<sup>73</sup> FG 2, Farmer 1, at p.23

<sup>74</sup> FG 2, Farmer 2, at p.24

<sup>75</sup> FG 4, Farmer 2, at p.65

<sup>76</sup> FG 4, Farmer 3, at p.71

<sup>77</sup> FG 2, Farmer 5, p.27

<sup>78</sup> FG 3, Farmer 1, at p.31

<sup>79</sup> FG 7, Farmer 1, at p.71

<sup>80</sup> FG 1, Farmer 1, at p.63

<sup>81</sup> FG 5, Farmer 1, at p.11

<sup>82</sup> FG 7, Farmer 4, at p.58

<sup>83</sup> FG 6, Farmer 1, at p.27

<sup>84</sup> FG 6, Farmer 1, at p.27

<sup>85</sup> FG 7, Farmer 1, at p.60

<sup>86</sup> FG 7, Farmer 4, at p.61

information.<sup>87</sup> One farmer pointed out that standardization was considered to be important, but there was no standardization throughout Europe.<sup>88</sup>

Farmers felt that those that made no effort to follow cross compliance rules should be penalized.<sup>89</sup> There were good and bad in every industry and a few farmers were angry that some farmers got away with bad practices.<sup>90</sup> It was thought that they gave the industry a bad name, “tar us all with the same brush.”<sup>91</sup> One farmer hoped that these new rules would get rid of the bad farmers, leaving only the good behind.<sup>92</sup>

It was hoped by farmers that when the new regulations associated with cross compliance came into force there would be a time of adjustment, that should inspectors see something that was wrong they would give the farmer time to put it right.<sup>93</sup> It was thought that inspectors had to be “sensible”, otherwise “people will retaliate and the whole system will break down.”<sup>94</sup> Some farmers felt that inspectors were stricter than they needed to be.<sup>95</sup>

Farmers on the whole were critical of inspectors. It was felt that many were straight from college<sup>96</sup> and therefore had little practical experience.<sup>97</sup> One farmer was worried that someone young and inexperienced would be more likely to use his power over the farmer to make life difficult.<sup>98</sup> Inspectors with a lack of farming background<sup>99</sup> were more likely to interpret the regulations strictly “.....with a big stick...”<sup>100</sup> In the opinion of one farmer inspectors were often “failed farmers” which did not necessarily make them good inspectors of others.<sup>101</sup>

It was felt by farmers that during inspections, paperwork was given priority.<sup>102</sup> More time during an inspection was spent scrutinizing paperwork than looking if farm animals were well looked after.<sup>103</sup> One farmer said that he did not mind inspectors looking at his farm, it was only when they started on the paper work that he became worried.<sup>104</sup> Inspectors already had lists of movements, birth, deaths etc; before coming on farm, therefore they only had to check that the farmer’s records corresponded.<sup>105</sup>

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<sup>87</sup> FG 2, Farmer 3, at p.51

<sup>88</sup> FG 7, Farmer 1, at p.80

<sup>89</sup> FG 2, Farmer 3, at p.25

<sup>90</sup> FG 1, Farmer 2, at p.60

<sup>91</sup> FG 2, Farmer 3, pp.27-28

<sup>92</sup> FG 1, Farmer 4, at p.66

<sup>93</sup> FG 2, Farmer 7, at p.49

<sup>94</sup> FG 2, Farmer 5, at p.50

<sup>95</sup> FG 4, Farmer 4, at p.41

<sup>96</sup> FG 5, Farmer 1, at p.11

<sup>97</sup> FG 3, Farmer 8, at pp.46-47

<sup>98</sup> FG 1, Farmer 4, at p.80

<sup>99</sup> FG 1, Farmer 4, at p.80

<sup>100</sup> FG 2, Farmer 1, at pp.18-19

<sup>101</sup> FG 2, Farmer 5, at p.26

<sup>102</sup> FG 4, Farmer 2, at p.44

<sup>103</sup> FG 4, Farmer 1, at p.44

<sup>104</sup> FG 5, Farmer 1, at p.16

<sup>105</sup> FG 4, Farmer 1, at p.66

It was felt by the majority of farmers that there were too many inspections. “Ridiculous” was the word one farmer used to describe the number of people that were employed to police farmers.<sup>106</sup> It was thought that they should be better coordinated,<sup>107</sup> so that they would be less frequent. These inspections were thought to be especially difficult for older farmers.<sup>108</sup>

#### **4. Perspectives of Key agricultural industry stakeholders**

##### **4.1. Implementation of SPS**

###### **4.1.1. Assembly Ministers**

One Assembly Minister commented:

“The primary benefit has been raising awareness of, and participation by, farmers in the environment they manage. In doing so, it has reduced some unsustainable agricultural practices...the main problem has been the administrative burden placed on farmers. There is a need for far more practical considerations to be made by bureaucrats and policy decisions, as many have been impractical on a field scale.”<sup>109</sup>

This increase in awareness is reflected in comments made by all four categories of interviewees. It was felt by another interviewee that the Single Payment Scheme would allow more flexibility in relation to the marketplace and to farming decisions with regards to the future of the business.<sup>110</sup>

It is believed that the Mid Term Review has focused the minds of those in agriculture and helped producers look at the long term sustainability of the industry.<sup>111</sup>

###### **4.1.2. Rural Professionals**

One interviewee remarked that Wales is the only country that has followed the letter of the European agreement in relation to the implementation of the Single Payment Scheme.<sup>112</sup> The problem, however, with the Single Payment Scheme, in one interviewee’s eyes, is that whilst it prevents overproduction and emphasises stewardship of the countryside, not enough resources are put to improving the quality of produce.<sup>113</sup>

It is believed, however, that the scheme is simpler to understand in terms of implementation.<sup>114</sup> There was also a belief that, further to the Mid Term Review, more emphasis had been put on sustainable development.<sup>115</sup> It was also believed that cross compliance was a much better mechanism for implementation of schemes and offered better value for money for farmers than the requirements provided under the agri-environmental schemes.<sup>116</sup>

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<sup>106</sup> FG 1, Farmer 4, at p.62

<sup>107</sup> FG 2, Farmer 6, pp.26-27

<sup>108</sup> FG 1, Farmer 3, at p.68

<sup>109</sup> Interviewee 11 at pp. 3-4

<sup>110</sup> Interviewee 12 at pp. 15 and 16

<sup>111</sup> Interviewee 11 at p. 3

<sup>112</sup> Interviewee 25 at p. 3

<sup>113</sup> Interviewee 26 at p. 2

<sup>114</sup> Interviewee 26 at p. 2

<sup>115</sup> Interviewee 26 at p. 2

<sup>116</sup> Interviewee 26 at p. 2

The problem that they had incurred as a result of the Single Payment Scheme was that it had increased their workload<sup>117</sup> and, predominantly, this increased workload was as a result of increased paperwork and requirements, for example, health and safety requirements, etc.<sup>118</sup> The same interviewee felt that the burden fell upon farmers in relation to this additional paperwork and that farmers took on more of this burden than the rural professionals.<sup>119</sup>

The benefits that were identified were that farmers kept less stock and that this was of advantage to the wellbeing of the remaining stock on the farms.<sup>120</sup> Furthermore, it was identified that the cross compliance rules had led to less rubbish and waste being left on fields making the countryside tidier.<sup>121</sup>

#### 4.1.3. Policy Advisers

On the whole interviewees were positive about the implementation of the SPS.<sup>122</sup> Interviewees identified the fact that the SPS is vital to farmers in Wales given that it provides much needed financial support for the agricultural industry.<sup>123</sup>

Interviewees believe that the historical approach adopted in Wales with regard to the establishment of entitlements under the SPS was appropriate to the needs of the agricultural industry in Wales.<sup>124</sup>

Farmers have always adhered to the cross compliance requirements although they were not formally required to do so before.<sup>125</sup> It is important however for farmers to be educated in the reasons behind the cross compliance requirements and to provide them with information to assist them to understand what it entails.<sup>126</sup> Cross compliance was also regarded as a way of increasing awareness among farmers of environmental issues.<sup>127</sup> Furthermore, it is believed that “cross compliance reduces the negative environmental impacts of agriculture so also increases sustainable development.”<sup>128</sup> The delivery of environmental goods through the cross compliance requirements is regarded as one of the main advantages of the SPS.<sup>129</sup>

However, several interviewees put forward the view that the SPS was “fundamentally unsustainable” because financial support for the farming sector could not continue indefinitely.<sup>130</sup> One interviewee stated

“[I] think fundamentally the single payment scheme is not sustainable, because it can’t be sustainable, because it’s not going to last...we’re in the situation now where effectively no one can come into the industry”<sup>131</sup>

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<sup>117</sup> Interviewee 24 at p. 3

<sup>118</sup> Interviewee 24 at p. 21

<sup>119</sup> Interviewee 24 at p. 21

<sup>120</sup> Interviewee 24 at p. 8

<sup>121</sup> Interviewee 24 at p. 10

<sup>122</sup> Interviewee 5 at p.5

<sup>123</sup> Interviewee 1 at p.4

<sup>124</sup> Interviewee 1 at p.4; Interviewee 3 at p.9; Interviewee 5 at p.6

<sup>125</sup> Interviewee 1 at p.10

<sup>126</sup> Interviewee 2 at p.3

<sup>127</sup> Interviewee 7 at p.4; Interviewee 8 at p.5

<sup>128</sup> Interviewee 4 at p.6

<sup>129</sup> Interviewee 4 at p.7; Interviewee 7 at p.3

<sup>130</sup> Interviewee 6 at p.8

<sup>131</sup> Interviewee 3 at p.9

The disadvantages of the SPS identified were the increased paperwork despite claims that the SPS would be simpler<sup>132</sup>, the increased administrative burden,<sup>133</sup> the lack of sufficient funding<sup>134</sup> and also the inflexibility of interpretation when discussing establishment of entitlements.<sup>135</sup> The example provided for this was that consideration was not given for the effect a farmer's illness with cancer for 3 years had had on a farming business in terms of establishing his SPS entitlement. Similarly the effects of foot and mouth on some farming businesses had not been fully recognized.<sup>136</sup> A further problem identified was the lack of measuring and monitoring the environmental impacts of the SPS.<sup>137</sup>

#### 4.1.4. Field Officers

Implementation of the CAP in Wales is not something which is of direct concern to the every day work of a field officer. There was agreement between the field officers questioned that the historical basis had been the most appropriate for determining the SPS entitlements in Wales.<sup>138</sup> However, the way that the Assembly has dealt with the establishment of entitlements especially in relation to farmers who for personal circumstances, had not been able to establish entitlements which were a fair reflection of the their farming enterprise in the years 2000-2002.<sup>139</sup> This it is believed showed a lack of flexibility by the Assembly when interpreting the European Regulations on establishing entitlements which provided five examples of what could be regarded as exceptional circumstances. These were interpreted by the Assembly as an exhaustive list when in fact they were only examples to be considered.<sup>140</sup> The Appeals procedure in relation to the SPS has been limited as to what it will actually allow farmers to do and this has been criticized.<sup>141</sup>

It is too early to comment on the effects of the SPS according to one interviewee.<sup>142</sup> Farmers always require time to become accustomed to any new scheme.<sup>143</sup>

Many problems were identified with the SPS. The SPS has increased the administrative burden of the farm business.<sup>144</sup> A further problem was transferring land and SPS entitlements.<sup>145</sup> Also, the increased paperwork brought by the SPS was mentioned.<sup>146</sup>

One interviewee commented that farmers were much more willing to discuss environmental issues now than in the past.<sup>147</sup> A balancing act must be maintained between ensuring the quality of soil, air and water whilst at the same time allowing farmers to continue running an

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<sup>132</sup> Interviewee 1 at p.5

<sup>133</sup> Interviewee 4 at p.8

<sup>134</sup> Interviewee 4 at p.8

<sup>135</sup> Interviewee 5 at p.7

<sup>136</sup> Interviewee 5 at p.7

<sup>137</sup> Interviewee 4 at p.8

<sup>138</sup> Interviewee 13 at p. 4

<sup>139</sup> Interviewee 22 at p. 9

<sup>140</sup> Interviewee 22 at p. 10

<sup>141</sup> Interviewee 22 at p. 11

<sup>142</sup> Interviewee 17 at p. 9

<sup>143</sup> Interviewee 19 at p. 4

<sup>144</sup> Interviewee 13 at p. 5

<sup>145</sup> Interviewee 13 at p. 9

<sup>146</sup> Interviewee 23 at p. 3

<sup>147</sup> Interviewee 17 at p. 7

economically viable farming operation.<sup>148</sup> One interviewee commented that “cross compliance has got a fairly narrow remit from our perspective.”<sup>149</sup> This shows that some organizations involved in the implementation and enforcement of the SPS do not feel that it has gone far enough to ensure environmental goods are achieved. This is also reinforced by the fact that the cross compliance rules “are fairly simple and pragmatic and most people are already doing them”.<sup>150</sup>

Despite this, some farmers have had problems with understanding the cross compliance requirements and it is felt that the Farm Liaison Service has been advantageous in being able to provide independent advice for farmers who often are not “very good at approaching people for help sometimes”.<sup>151</sup>

## **4.2. Enforcement of SPS**

### **4.2.1. Assembly Ministers**

It was stressed by one interviewee how important it was that enforcement was carried out properly, given that it would be unfair for a farmer to sign an agreement and then to not keep to that agreement when they were in receipt of financial aid for carrying out certain works.<sup>152</sup> However, it was acknowledged by one Assembly Minister that only a short amount of time was allowed for scrutiny of enforcement issues and that this did not allow for discussion in sufficient depth. Furthermore, another Assembly Minister acknowledged that they had not really contemplated the detail of enforcement measures in relation to environmental schemes.<sup>153</sup>

### **4.2.2. Rural Professionals**

It was felt that cross compliance rules were easy to understand making enforcement manageable and that cross compliance is an effective mechanism for providing rules and guidance for enforcement. However, this was contextualised in relation to the fact that farmers should always have a clear indication of the reasons why they were being penalised under the cross compliance regime and that they should not be penalised for reasons which were beyond their control.<sup>154</sup> One rural professional commented that he felt like some kind of policeman<sup>155</sup> and that the requirements that needed to be continued to be enforced slowed down the work that was to be carried out on the process as a whole.<sup>156</sup>

### **4.2.3. Policy advisers**

One of the main themes that arose out of discussions with policy advisers on enforcement was the need for a coordinated approach. It was suggested that the agencies involved in enforcing the legal framework in Wales should be in constant dialogue with regard to the inspections that they had or were going to carry out and that information should be shared between them.<sup>157</sup>

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<sup>148</sup> Interviewee 23 at p. 3

<sup>149</sup> Interviewee 14 at p. 5

<sup>150</sup> Interviewee 21 at p. 11

<sup>151</sup> Interviewee 21 at p. 12

<sup>152</sup> Interviewee 12 at p.28

<sup>153</sup> Interviewee 12 at p.27

<sup>154</sup> Interviewee 26 at p. 2

<sup>155</sup> Interviewee 24 at p. 10

<sup>156</sup> Interviewee 24 at p. 13

<sup>157</sup> Interviewee 1 at p.8

There was also a recommendation that there should be one database of all the information held on each farm, access for which should be shared between the various bodies.<sup>158</sup>

It was suggested that a more informal approach to enforcement is sometimes preferable and that this could be done by raising a farmer's awareness of an issue.<sup>159</sup> Explaining the purpose behind regulations to farmers and establishing a relationship with them in relation to environmental farm management was successful.<sup>160</sup> One interviewee informed

“one of the problems we have with cross compliance is that there are some difficulties in the way the Commission has set up the rules, so we can't necessarily give that advice, we have to report it as a breach.”<sup>161</sup>

There is therefore a need for more flexibility within the current enforcement mechanisms. This is advocated as a 'commonsense approach'<sup>162</sup> which mirrors the suggestion put forward by farmers in the focus group data in the previous chapter. Although it was acknowledged that there was also a need for a regulatory approach to support this.<sup>163</sup> This reinforces the need for a coordinated approach to inspections and enforcement as a whole.

The inclusion of the Statutory Management Requirements within cross compliance has allowed the enforcement of existing environmental law to be reinforced.<sup>164</sup> One interviewee commented

“it's good in the sense that it means people take some of these pieces of legislation seriously, which in the past they didn't, and some of the fines we'd got were quite paltry.”<sup>165</sup>

Furthermore, it was suggested that a lead in period before the implementation of legislation was advisable because it allows time for enforcement officers and farmers to become acquainted with the legislation and its requirements before it comes into force and make any necessary amendments to farming practices.<sup>166</sup>

One interviewee informed the researcher that although the reform of the CAP is about simplification and making it simpler for the farmer it was anything but simple for those involved in the administration of the legislation given that there is so much paperwork to complete and various agencies to consider.<sup>167</sup>

The interviewees identified various problems with the enforcement mechanisms in place. First, the timing of visits.<sup>168</sup> Consideration needed to be given to the most convenient time for the farmer to gather animals for inspection or to have inspectors visit. For example, having inspectors visit during hay making was unacceptable.

Second, over-regulation. The inclusion of Statutory Management Requirements within the SPS cross compliance requirements has led to over-regulation of these issues in that farmers can be

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<sup>158</sup> Interviewee 1 at p.9

<sup>159</sup> Interviewee 2 at p.5

<sup>160</sup> Interviewee 8 at p.4; Interviewee 8 at p.5

<sup>161</sup> Interviewee 7 at p.5

<sup>162</sup> Interviewee 3 at p.7

<sup>163</sup> Interviewee 2 at p.5

<sup>164</sup> Interviewee 6 at p.9

<sup>165</sup> Interviewee 7, p.6

<sup>166</sup> Interviewee 8, p.10

<sup>167</sup> Interviewee 9, p.20-21

<sup>168</sup> Interviewee 1 at p.9

penalized twice for the same breach.<sup>169</sup> One interviewee suggested that over-regulation can lead to farmers putting “their heads in the sand”<sup>170</sup> and ignoring regulations completely. This therefore leads to the loss of control by enforcement agencies.<sup>171</sup>

Third, one of the major problems with enforcement that was identified was the issue of differing interpretation of the rules.<sup>172</sup> As stated by one interviewee

“I think most farmers would acknowledge what they would regard as a breach... there are lots of different inspections... That’s something that needs to be consolidated.”<sup>173</sup>

Furthermore, another interviewee stated

“so you have different interpretations between farmers, different interpretations between inspectors, different interpretations between county divisional offices as well, which causes some problems....to a hill farm in Wales...the rules are there to tackle problems in intensive agricultural systems...applying rules across the EU... huge varieties of systems.”<sup>174</sup>

Fourth, impracticality of requirements. For example one interviewee informed

“to anyone who knows anything about farming, moving [?] feeders is just silly, because you’re just doubling the mess”<sup>175</sup>

when discussing the good agricultural and environmental condition requirements in relation to soil.

One concerned interviewee stated

“[[I]]’s getting too onerous on us to try and deliver it, and where we get concerned is that if the European auditors come over and criticise us in terms of the way we’ve done it, they can potentially take European money away from us, disallow what we’ve spent.”<sup>176</sup>

#### 4.2.4. Field Officers

Different interpretations of the SPS rules across European countries is regarded as unfair.<sup>177</sup> Furthermore some of the cross compliance rules were regarded as impractical e.g. the dates during which farmers are allowed to cut hedgerows.<sup>178</sup> Problems with enforcement identified were the passport regime which is often badly administrated and does not allow for the practicalities of farming,<sup>179</sup> the sheep tagging rules were problematic<sup>180</sup> and making sure visits occur at convenient times for the farmers.<sup>181</sup>

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<sup>169</sup> Interviewee 3 at pp.6-7; Interviewee 7 at p.6

<sup>170</sup> Interviewee 3 at pp.6-7

<sup>171</sup> Interviewee 3 at p.8

<sup>172</sup> Interviewee 5 at p.11

<sup>173</sup> Interviewee 5 at p.13

<sup>174</sup> Interviewee 5 at p.12

<sup>175</sup> Interviewee 5 at p.13

<sup>176</sup> Interviewee 9 at p.21

<sup>177</sup> Interviewee 22 at p. 11

<sup>178</sup> Interviewee 22 at p. 11

<sup>179</sup> Interviewee 22 at p. 11

<sup>180</sup> Interviewee 22 at p. 12

<sup>181</sup> Interviewee 22 at p. 12

A further problem that was noted was the involvement of an extensive array of inspection agencies.<sup>182</sup> Indeed, simplification of the enforcement mechanisms was advocated.<sup>183</sup> Field officers are required to refer any issues which they become aware of during an inspection to the relevant agency or body that deals with that type of breach.<sup>184</sup> <sup>185</sup>As a result, one interviewee stated that she had carried out more inspections in the first year of implementation of the SPS.<sup>186</sup>

The booklets provided to farmers are often insufficient to explain the detail of the rules and regulations that they must follow.<sup>187</sup> One interviewee noted that he tried to be as understanding as possible when discussing issues with farmers because very often they had not been able to understand the detail of the rules.<sup>188</sup>

One interviewee stated that they tried to use common sense when carrying out inspections.<sup>189</sup> Inspectors are provided with guidelines as to how to assess any breaches which they come across.<sup>190</sup>

Field officers also carry out an advisory role<sup>191</sup> which includes raising awareness of environmental issues with farmers.<sup>192</sup> This is regarded as being an important part of their work. However, one interviewee pointed out that “[Y]ou’re always going to get the odd person that’s like, “I’ve been farming this way for 50 years and I’m never going to change.”<sup>193</sup> This shows that farmers can be inflexible to change.

The penalties which farmers are subjected to if a breach of the SPS is discovered is thought by one interviewee to be disproportional to the breaches that occur.<sup>194</sup> He informs that there is a need for more flexibility with regard to the application of the rules and also for farmer to be provided with an opportunity to remedy any breaches found.<sup>195</sup> Some problems cannot be remedied immediately.<sup>196</sup> Some farmers are selected randomly for inspections and some are selected according to risk.<sup>197</sup> Flexibility as to when farmers are required to carry out remedial works on their farms needed to bear in mind the constraints of the weather and that contractors are limited in the case of hedgerows to carry out their works to six months of the year.<sup>198</sup>

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<sup>182</sup> Interviewee 22 at p. 15

<sup>183</sup> Interviewee 22 at p. 17

<sup>184</sup> Interviewee 14 at p. 7

<sup>185</sup> Interviewee 21 at p. 4

<sup>186</sup> Interviewee 14 at p. 7

<sup>187</sup> Interviewee 13 at p. 11

<sup>188</sup> Interviewee 14 at p. 4

<sup>189</sup> Interviewee 20 at p. 5

<sup>190</sup> Interviewee 20 at p. 6

<sup>191</sup> Interviewee 21 at p. 5

<sup>192</sup> Interviewee 21 at p.5

<sup>193</sup> Interviewee 21 at p. 6

<sup>194</sup> Interviewee 13 at pp. 4-5

<sup>195</sup> Interviewee 21 at pp. 6-7

<sup>196</sup> Interviewee 21 at pp. 6-7

<sup>197</sup> Interviewee 21 at p. 8

<sup>198</sup> Interviewee 22 at p. 15

One interviewee stated that farmers needed to accept that they must adhere to the cross compliance requirements and farmers need to make sure that their records are kept up to date at all times.<sup>199</sup>

## **5. Conclusions**

In the past, schemes providing financial aid for farmers in Wales have been varied and linked to the type of product a farmer produced. Administrating these was difficult, which consequently led to problems with monitoring and ensuring their enforcement. After the Mid Term Review and the implementation of the Single Payment Scheme, it was hoped that having one main scheme would make administration easier for both the implementation and enforcement bodies and farmers alike. However, it is clear from the discussions held with farmers and members of the implementation and enforcement community in Wales that simplification has not been achieved by these reforms to the legal framework. The Single Payment Scheme is still burdensome on those who are required to adhere to it because of the associated paperwork. Whether this restructure is true only in the short term is something that would have to be investigated by further research.

Cross compliance now plays an integral role in the provision of financial support for farmers within the legal framework. Farmers recognise its importance as an essential requirement of the new Single Payment Scheme and are mindful of its effect on their day-to-day activities. Despite this, there is a considerable lack of clarity with regard to what it actually entails and a lot of discussion among farmers about what it means in reality. Although there are regulations which govern cross compliance, there is considerable scope for interpretation. The Farm Liaison Service and the Farmers' Unions play an important role in advising farmers of those requirements because it is difficult to ensure that all farmers are aware of the interpretations which are given. Farmers subjected to several inspections every year on their farms and at the marketplace, etc. Obviously, monitoring implementation of schemes and the standard of their adherence to the requirements is essential to ensure financial aid is justified. However, it is clear from the focus groups conducted with farmers and the interviews with members of the policy community in Wales that the inspections at present are not carried out in a coherent way. Perhaps better coordination could be arranged between the actors involved in such inspections and that this should be encouraged by the National Assembly for Wales. Indeed, some coordination is already taking place; however, this could be increased. This pertains to one of the main conclusions of this thesis, which is that sustainable development can only be achieved by the use of subsidiarity, where implementation and any problems are addressed at the jurisdictional level, because this proves to be most effective. This thesis has shown that farmers feel that policy makers and legislators do not always understand the day-to-day implications of the policies and laws that they create, and it is therefore argued that perhaps farmers should have a more direct involvement in the consultation process of policy formation. However, it is noted that this role is fulfilled indirectly by the unions in Wales, which represent the interests of farmers who are members.

It was startling to discover that the majority of respondents did not understand the changes made by the Mid Term Review to the CAP very well. When asked where farmers obtained their information, it was clear that word of mouth and the media had a large influence on what information they had in relation to changes to agricultural policy. It can therefore be concluded that programmes such as Ffermio and magazines such as Farmers Weekly are important as a source of information for farmers who perhaps do not have the time to engage more fully with the policies which are developing under the Common Agricultural Policy.

It is clear that farmers thought that the Single Farm Payment would compare favourably with the previous system of payments with regard to the time that they would incur under the Single Farm Payment regime to fill in forms, etc. and also with regard to how easy it would be to administer,

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<sup>199</sup> Interviewee 14 at p. 7

again pertaining to the paperwork involved in the scheme. However, it would be interesting to conduct the same study three years since the implementation of the Single Payment Scheme to discover whether farmers believe that the Single Farm Payment has resulted in them spending less time on paperwork.

Farmers are, however, positive about the future of farming in general, and in particular, respondents were keen to note the importance of new entrants and the fact that schemes needed to be available for new entrants into farming. There was, however, considerable uncertainty about the future of farming in Wales. It is commendable perhaps that farmers still had, in the majority of cases, a positive outlook on farming, given the fact that they also felt incredibly uncertain about the future of their farming businesses.

Responses in relation to cross compliance were very interesting, given that the majority of respondents believed that it was for the purposes of environmental protection. They were not as clear whether environmental enhancement was something that cross compliance was to deal with. It also shows that farmers do not, in the majority of cases, recognise that cross compliance requirements have been brought in across a wide spectrum of issues, including animal health, welfare, soil erosion, identification of animals, etc. Perhaps this has to do with the stereotypical view that is given very often to measures such as cross compliance. It is clear that farmers thought that cross compliance was just another gimmick created for the purposes of providing jobs for those working in Government and that it was a political formulation to provide public justification for the Single Payment Scheme being given to farmers. Farmers did not think that it would be easy to adhere to cross compliance requirements, and again, it would be interesting to conduct a similar study three years since the implementation of the Single Payment Scheme to discover whether in fact cross compliance is viewed as something which is difficult to adhere to. This is something that will be returned to in the next chapter when looking at the comments made by farmers in focus groups.

Farmers clearly understand the need to adopt appropriate farming practices to the land which they farm. However, they acknowledged that some farmers were not adhering to the golden rule of only farming land according to what the land could keep. Overstocking or intensive farming using supplementary feed was not something that the majority of farmers who took part advocated and felt that such practices were unsustainable. In those terms, farmers believed that the inputs to the farm should not be damaging to the land and that they did not want to damage the land given that it provided their livelihoods. It was also evident that farmers were concerned about wildlife and biodiversity on their farms.

There is acknowledgment that more coherence is required with regard to the implementation and enforcement of CAP policies in Wales and that although there is obviously considerable communication between the various bodies who are involved in these processes throughout Wales, this could be increased and improved upon. Field officers would like the opportunity to guide and advise rather than fulfil a strict policing role, however, it is difficult to envisage how this division of role can be achieved. This would hopefully achieve the common sense approach advocated by farmers.