

Agriculture and Food

General

In terms of employment and its contribution, farming in Wales is small but its hold on emotions of Welsh people is strong. With 9 per cent of Britain's land mass and only 5 per cent of its population much of Wales outside the conurbations of south Wales and north east Wales is rural. In these areas farming remains a very visible presence helping to sustain rural areas and the familiar Welsh landscape. Perhaps more than anything else the sheep – of which there are three for every person living in Wales - remains the symbol of Welsh farming, acting as unpaid conservators of the Welsh uplands and ensuring the beauty of the landscape is retained and does not revert to unsightly scrubland.

Apart from sheep, farming in Wales covers the whole range of agricultural production, including substantial herds of cattle - around 1.1 m animals representing around 11 per cent of the UK total. The hilly nature of much of Wales confines arable production to the flatter land in parts of south Wales and north-east Wales where the main crops are potatoes, wheat, and barley. Pig farming has been in steep decline for a number of years and is now only a small part of the UK total and Wales is also not a significant poultry producer. In summary, the overall picture is as follows:

- Sheep - some 8.5 million animals or 26 per cent of the UK total.
- Cattle - about 1.1 million animals or 11 per cent of the UK total.
- Milk - about 10 per cent of the UK total. The main milk producing region is Carmarthenshire, with processors ranging from local dairies to specialist cheese-makers.
- Arable – main crops potatoes, barley and wheat.
- Pigs – fewer than 1 per cent of the UK total.

There are also small herds and flocks of rarer breeds including, deer, goats, alpaca, guanaco, llama, ostrich and buffalo.

As in other parts of Britain, and the rest of the EU, farming has been under severe pressure, leading to a decline in employment, farm amalgamations, and an increase in part-time farming. Welsh farming in particular has suffered from strong competition both from overseas producers and from bigger units in other parts of Britain where the geography presents less challenge than that of Wales. Links to local outlets for products have also been broken as a result of the rise of the supermarkets, which generally require farm products to be delivered to processing and distribution centres closer to the main UK markets in England.

Farmers in Wales have had to respond by seeking to add value and to move upmarket into more speciality products – salt marsh lamb, Welsh Black Cattle beef, venison, smoked foods, pates, Welsh cheeses and other dairy products and organic fruit, vegetable, meat and dairy products among them. Other forms of diversification into, for example, farm tourism and wine production have also been necessary.

Agricultural Area

	1998	2006	2007	2008
Total area ('000 hectares)	1,677	1,680	1,640	1,635
of which:				
Arable land	214	164	162	162
Permanent grass	927	1,038	1,001	1,017
Rough grazing (a)	478	409	390	380
Woodland and other land (b) (main and minor holdings)	58	70	87	76

(a) Includes common rough grazing. Source: June Agricultural Survey

(b) Includes set-aside land.

People, Land and Agriculture in Wales and the UK 2008

	Wales	UK	Wales share
All land (hectares)	2,100,000	24,300,000	9%
Total persons (a)	3,000,000	61,000,000	5%
Agricultural land (hectares)(b)(c)			
Permanent pasture	1,000,000	6,000,000	17%
Sole rights	200,000	4,400,000	5%
Grassland under 5 years	100,000	1,100,000	8%
Crops and horticulture	100,000	4,900,000	2%
Farm woodland and other	100,000	1,000,000	8%
Total	1,500,	17,500,000	8%
Livestock numbers (b)			
Sheep	8,500,000	33,100,000	26%
Cattle (d)	1,100,000	10,100,000	11%
Poultry	7,200,000	166,200,000	4%
Pigs 20,000 4,700,000	20,000	4,700,000	-

(a) 2007 mid-year estimates of resident population.

(b) Survey of Agriculture, June 2008 run by each of the 4 home countries.

(c) All land on agricultural holdings including woodland and non-agricultural land such as ponds, paths, buildings etc.
It excludes common land.

(d) Cattle data sourced from survey data in Scotland and administrative data for the rest of the UK.

Welsh Agricultural Output

Production as a share of gross output	2006	2007	2008 (forecast)
Milk and milk products	28.9%	30.1%	31.9%
Cattle	26.0%	26.1%	27.9%
Sheep	21.5%	18.3%	17.4%
All crops and horticulture	4.1%	5.1%	4.3%
Others (a)	19.6%	20.4%	18.5%

(a) Includes pigs, poultry, eggs, clip wool, capital formation in livestock, other agricultural activities and 'inseparable secondary activities'.

Source: Aggregate Agricultural Account

Welsh Agriculture by Sector

Sector	1988	2006	2007	2008
Livestock				
Dairy Sector				
Dairy Cows '000s		351.3	340.4	335.5
Number of holdings with dairy cows.		4,413	4,243	4,009
Average Size of Herd		80	80	64
Non Dairy Sector				
Number of holdings with non-dairy cows		363.2	347.3	340.4
Average size of herd		11,523	11,173	10,873
		32	31	31
Sheep sector				
Total number of sheep and lambs '000s	11,419.6	9,350.7	8,897.0	8,517.6
Number of holdings	16,080	15,271	15,054	15,160
Average size of flock	710	612	597	562
Pig Sector				
Pigs '000	90.8	25.2	23.8	20.8
Number of holdings	1,041	898	959	983
Average size of herd	87	28	25	21
Total Breeding Herd '000s	11.9	3.7	3.7	3.3

Source: June Agricultural Survey. Cattle figures sourced from the Cattle Tracing System

Holdings By Farm Type

	2005	2006	2007	2008
Cereals	242	215	346	370
General cropping	132	111	127	133
Horticulture	497	404	389	329
Specialist pigs	48	42	37	34
Specialist poultry	336	304	357	328
Dairy	2,871	2,727	2,312	2,201
Cattle and sheep (LFA)	11,203	11,035	11,493	11,595
Cattle and sheep (non-LFA)	2,730	2,679	2,622	2,252
Mixed (a)	646	599	828	800
Other types (b)	2,484	2,481	2,328	2,323
Minor holdings(c)	3,141	3,716	3,827	3,889
Dormant holdings	12,638	13,135	13,549	14,615
All types	36,968	37,448	38,215	38,869

(a) Combinations of cropping with various types of livestock.

(b) Mainly grass and forage or specialist horses.

(c) Holdings with small amounts of agricultural activity

Labour on Holdings

('000)	1998	2006	2007	2008
Farmers, partners and directors:				
Full-time	26.8	20.5	20.1	19.5
Part-time	19.6	22.6	23.1	24.4
Family and hired workers:				
Full-time	4.6	3.4	3.4	3.5
Part-time	4.3	4.6	4.9	4.4
Seasonal or casual workers	7.5	5.0	5.1	5.3
Salaried managers	0.4	0.3	0.3	0.4
Total labour engaged on holdings (main and minor holdings)	63.3	56.4	57.0	57.6

Source: June Agricultural Survey

Agricultural policy in Wales

Agriculture is a devolved responsibility of the Welsh Government. Its Department of Rural Affairs is charged with delivering sustainable farming, forestry, food and fisheries industries and for helping other departments take account of the needs of rural areas. Staff are based in offices in Cardiff, Carmarthen, Llandrindod Wells, Aberystwyth, Caernarfon and St Asaph. Its key responsibilities are:

- animal health, including the bovine TB eradication programme;
- payment of Common Agricultural Policy (CAP) subsidies to farmers and the CAP reform agenda;
- working for a better future for food producers, food processing and agri-food businesses in Wales;
- delivery and administration of the Rural Development Plan for Wales;
- design and delivery of land management schemes including agri-environmental schemes, woodland grants and payments to hill farmers;
- the provision of information and advice to help farming become more sustainable economically and environmentally;
- the development of sustainable supply chains adding value to the primary produce of farming, fisheries and woodland industries;
- management of the work of the Forestry Commission in Wales, who work in practice as a division of the department;
- plant health, including policy on Genetically Modified Organisms (GMOs);
- management of inland and sea fisheries;
- support for local community development in rural areas; and
- rural policy, including delivery of the One Wales commitment on meeting the needs of deep rural areas.

Common Agricultural Policy (CAP)

UK agriculture policy is ultimately governed by the Common Agricultural Policy decided in Brussels. In 2005 previous EU subsidy schemes were replaced with the Single Payment Scheme (SPS). This 'decoupled' or broke the link between CAP payments and production. Farmers are encouraged to concentrate on producing what the market wants and on farming in an environmentally friendly way. The Single Payment Scheme is paid once a year and is based on the amount of subsidy paid, and land used, between 2000 and 2002. Farmers are also encouraged to manage their land in an environmentally sensitive way through the Welsh Government's Tir Cynnal and Tir Gofal schemes.

Horticulture

Horticultural production in Wales has been in long term decline with fewer than 3,000 hectares now under cultivation for potatoes, field vegetables, small fruit and commercial orchards, compared with double that amount forty years ago. Indeed, Wales has only one per cent of British land devoted to crops and horticulture. Horticultural Network Wales (2006) estimate that Wales is only 20 per cent self sufficient in fruit, vegetables and potatoes; with Cardiff wholesale market sourcing only approximately 5 per cent from Wales, retailers sourcing no more than 10 per cent, and the public procurement sector sourcing around 17.5 per cent of fruit and vegetable from within Wales.

The dominance of the supermarkets with their centralised purchasing and packaging requirements and the consequent decline in local wholesale markets and retailing is the principal reason but the trends might now be more favourable as a report in 2008 by ADAS Wales, the agricultural development advisory service, pointed out. Transport costs may begin to make it less economic to transship fresh produce from one part of the UK to another and consumers in Wales, Scotland and Cornwall in particular are expressing interest in buying local. There would appear, therefore, to be scope for Wales to become a much bigger producer of the popular fruits and vegetables now seen across Britain's supermarkets. Some strides have been made recently in Wales - the Really Welsh Products company based in Llantwit Major has been a model in this respect, sourcing and marketing different types of vegetables which were no longer being grown in Wales under a Welsh brand.

Organic Farming in Wales

Currently, a total of some 35,000 hectares of land out of a total of just over 2m hectares is farmed organically. (Wales's first organic farm at Dol-y-Bont near Aberystwyth was started in 1948 by Dinah Williams and is now best known for the Rachel's Dairy business which has emerged from the original farm.)

Horticulture Network Wales estimated the number of organic vegetable producers at 118 in 2006. According to the Soil Association's Market Report 2006 there were 588 hectares used in Wales for organic horticulture. The most recent estimates (Haward and Green, 2004) for cropping areas in Wales are as follows:

Total Horticultural Area in Organic Production

Crop	Total area (ha)
Alliums - Onions	7
Brassicas	64
Green Veg - Other	86
Roots - Carrots	20
Roots - Other	21
Potatoes	138
Squash	-
Other	-
Total	394

By way of comparison the Soil Association estimates that the area of organic horticultural production in the UK increased from 7,083 in 2003 to 8,522 hectares in 2006. The main increase was found in the area of green vegetables, salads and protected crops (1,598 to 2,805 hectares between 2003 and 2006).

Farmers' Organisations

Farmers in Wales are represented by two main unions, the UK-based National Farmers Union, which now has a largely autonomous Wales branch for dealings with the Welsh Government, and the Farmers' Union of Wales. The latter was founded in 1955 as a result of complaints by farmers, particularly in south west Wales that the NFU was dominated by the big producer interests of farmers in England. Other organisations representing farmers include the Federation of Small Businesses and the Country Land and Business Association.

The Royal Welsh Agricultural Show has been held annually at one site – Llanellwedd near Builth Wells – since 1963, bringing to an end 60 years of peripatetic movement between locations in north and south Wales. With the demise of the Royal Show in Stoneleigh, Warwickshire in 2008, it is now unchallenged as the premier agricultural show in England and Wales, and indeed claims to be the biggest in Europe with annual attendances of more than 200,000 to see displays of livestock, produce, trade stands, country pursuits and various competitions. Other local agricultural shows are held in most of the counties of Wales.

Food Processing

In food as in other manufacturing sectors, Wales has traditionally been an exporter of raw materials to be made up elsewhere. Over recent years, however, the pattern has changed with Wales attracting a number of big UK and overseas food processing companies on the one hand and on the other seeking to add value closer to source to its many farm products.

Currently, there are estimated to be a total of 55,000 full time jobs in production and processing alone, in some 700 different businesses, including some of the UK's biggest food producers. Big names represented in Wales include Unilever, Danone, Premier Foods, Associated British Foods, Kelloggs, Glanbia, Dunbia, Greggs, Warburton, St. Merryn, and Dawnpac. Major sub sectors include bread; meat and poultry; dairies, cheese and ice-cream; fruit and vegetable processing, and snack foods. The sector is present in all Welsh regions but the highest proportion of firms, roughly one third, is located in the South East, with 16 per cent being sited in Mid-Wales.

Government Support

Support for Welsh food and drink manufacturing and processing businesses comes from the Welsh Government's Food and Market Development Division which works with partners throughout the industry to add value to Welsh food at every point in the supply chain.

The True Taste / Gwir Flas Food And Drink Awards, launched in 2002, seek to build awareness of the Welsh food brand 'Wales the True Taste'.

The Government also works with the industry through its agrifood partnership. This aims to help producers become more market focused and add value to Welsh food through:

- Better co-ordination between producers, processors and others in the food chain
- Support for the development of new products
- more sophisticated marketing of Welsh food

It currently works through nine action groups, four of them responsible for All Wales strategy, four charged with carrying out the work of the partnership at regional level and one cross-sector group looking at areas which affect agriculture in general. Each of the four strategy groups focuses, via an Action Plan on developing a key area of the Welsh Agri-Food business in line with market demand. There is also close co-operation with Hybu Cig Cymru who will be taking the Red Meat Strategy forward.

Food Festivals

There are food festivals across the whole of Wales mainly in the summer months. Among the biggest are the Cardiff International Food and Drink Festival in July featuring food from Wales and the rest of the world and the Abergavenny Food Festival in September.