

Minutes

Date: Wednesday 1 May
Time: 2.00pm to 5.10pm
Venue: Committee Room 1, National Assembly Building

In attendance

Members

Glyn Davies, <i>Chair</i>	Mid and West Wales
Mick Bates	Montgomery
Cynog Dafis	Mid and West Wales
Jocelyn Davies	South Wales East
Ron Davies	Caerphilly
Delyth Evans	Mid and West Wales
John Griffiths	Newport East
Carwyn Jones, <i>Minister</i>	Bridgend
Peter Rogers	North Wales
Carwyn Jones	Bridgend
Rhodri Glyn Thomas	Carmarthen East and Dinefwr

Officials

Huw Brodie	Director, Agriculture & Rural Affairs Dept.
Rory O’Sullivan	Agriculture & Fisheries Policy Division
Mike Dunn	Food & Farming Development Division
Alan Starkey	Food & Farming Development Division
Tony Edwards	Chief Veterinary Officer for Wales
Rosemary Thomas	Agriculture & Fisheries Policy Division
Peter Mcallen	Food & Farming Development Division
Peter Samuel	Food & Farming Development Division
Gwyn Griffiths	Office of the Counsel General
Amanda Jones	Office of the Counsel General
Gareth Rowlands	Organic Sector Strategy Group

Nic Lampkin	Director, Organic Centre Wales
Wynfford James	WDA Agri-food Directorate
Catrin Jones	WDA Agri-food Directorate
<i>Secretariat</i>	
Adrian Crompton	Committee Clerk
Liz Wilkinson	Deputy Committee Clerk
Peter Jones	Counsel to Assembly Committees

Item 1: Introduction, apologies, substitutions and declarations of interest

1. The following declarations of interests were made:

- The Chair declared that he and his wife were partners in a farming business and that fuller detail was available in the Register of Members' Interests.
- Peter Rogers declared that he, his wife and son were partners in a farming business and that fuller detail was available in the Register of Members' Interests.
- Mick Bates declared that he was a member of various farming organisations.

Item 2: Minister's report: ARD 06-02 (p1)

Bovine TB

2.1 The Minister confirmed that it would be within the powers of the Welsh Assembly Government to fund the State Veterinary Service (SVS) to undertake activities beyond those for which it was resourced by the Department for Environment, Food and Rural Affairs (DEFRA). This could include boosting the TB testing programme to address the backlog that had arisen during the foot and mouth outbreak. The Committee noted that the Minister was awaiting the outcome of recent representations made to the Secretary of State for Environment, Food and Rural Affairs regarding additional resources for the SVS in Wales.

2.2 In view of the Assembly's devolved responsibility for the control of TB, and the prevalence of the disease, Members expressed disappointment that a programme of research had not been initiated in Wales to supplement or contribute to the Krebs trials. Establishing a separate assessment in Wales to mirror the Krebs trials in England would not add to available scientific knowledge and would simply result in the culling of badgers.

2.3 Members noted that analysis of badgers killed in road traffic accidents would not assist in determining the relationship between TB in cattle and badgers, which was the objective of the Krebs

study.

2.4 The Committee noted that use of the gamma interferon test would help to speed up the current testing regime and so reduce the backlog of outstanding tests. It should be seen, though, as a complement, rather than an alternative, to existing testing methods.

2.5 There were currently no restrictions on movement of cattle between TB clean areas. The onus was on individual farmers to ensure testing of animals moved from grazing in areas where TB was present.

Antur Cig Cymru

2.6 The Minister felt that the headquarters of the new body should be located outside Cardiff. The decision on the final location would be a matter for Antur Cig Cymru.

Farming Connect

2.7 There was continued concern about the length of time taken to complete the review process and the resultant Farm Business Development Plan. The Committee noted that the intention to offer an initial business viability assessment would allow farmers to access advice and capital grants more quickly. It was essential that the advice provided by consultants to farmers was clear and consistent and that appropriate material and training was provided to ensure this.

2.8 The Minister agreed to include in his next report his assessment of the potential for Tier 3 grant funding to be used to supplement or substitute for processing and marketing grant for projects in non-objective 1 areas.

Forestry

2.9 Members highlighted the importance of:

- involving communities in the management and use of public forests and woodlands, which were often situated close to some of the most deprived areas. An innovative approach to the development of resources within the forestry sector could bring about economic benefits and help regenerate local communities;
- identifying appropriate alternative markets for timber, such as its use in the construction of farm buildings. The Minister agreed to include in his next report details of steps taken through Farming Connect to promote the use of timber;
- a co-ordinated approach to economic and forestry development. It was noted that a Woodland Development and Biomass Strategy Group had been established to this end. Co-ordination of Objective 1 projects was the responsibility of the Wales European Funding Office.

Other issues

2.10 Members raised concerns about the effect of proposed bio-security measures, resulting from the foot and mouth outbreak, on forthcoming agricultural shows. It was noted that a review would be undertaken in May to consider the relaxation of current movement restrictions.

2.11 The Minister reaffirmed his statement from the previous meeting that he had written to the Secretary of State for Environment, Food and Rural Affairs asking her to press for the payment of agri-monetary compensation.

2.12 The Minister agreed to include in his next report information on the degree to which agricultural chemicals were misused to the detriment of wildlife.

2.13 It was noted that some farmers had reported delays in receipt of IACS forms from the Carmarthen Divisional office.

Action points

The Minister to include in his next report an assessment of the potential for Tier 3 grant funding to be used to supplement or substitute for processing and marketing grant for projects in non-objective 1 areas - **Minister, Food & farming Development Division.**

The Minister to include in his next report information on the degree to which agricultural chemicals are being misused to the detriment of wildlife - **Minister, Food & Farming Development Division.**

The Minister to include in his next report details of steps taken through Farming Connect to promote the use of timber - **Minister, Food & Farming Development Division.**

Item 3: Subordinate Legislation: ARD 07-02(p2) - draft Environmental Impact Assessment (Uncultivated Land and Semi-natural Areas) (Wales) Regulations 2002

3.1 During discussion the following procedural issues were raised:

- the Committee sought clarification from the Chair on scrutiny of Statutory Instruments (SIs) in Committee, in particular the protocol for tabling amendments. The Chair agreed that the Secretariat would circulate a suggested protocol.
- concern about the use of the executive procedure for this and other SIs. The Minister explained that executive procedure was being used in this case as other UK administrations had equivalent Orders in place and further delay would risk infraction proceedings.

3.2 The following points were raised on the content of the Order:

- greater clarity was required on the terms contained within the Order, such as, ‘uncultivated land’ and ‘significant’ environmental effect. If the inclusion of more precise definitions in the Order was not possible, detail should be provided in subsequent guidance;
- consideration should be given to the inclusion of appeals by a third party within the general appeal provision contained in the regulations;
- consideration should be given to the role of the National Assembly as the competent authority for operating the regulations. It was suggested that local authorities, which were already responsible for the planning regime, would be best placed to take the lead on implementing these provisions. The Minister said that the necessary expertise existed within the Assembly but not in all local authorities.

Action point

The Secretariat to circulate proposals to Members on protocol for handling subordinate legislation in Committee – **Committee Secretariat.**

Item 4: Sheep Annual Premium national envelope in 2003: ARD 07-02(p3)

4.1 The Committee noted that for the SAPS 2002 scheme year the national envelope resources for Wales would be distributed to producers as an additional top-up payment to the fixed rate premium. The purpose of the national envelope was to provide member states with additional flexibility in the support given to the sheep sector. The Commission hoped to see the innovative use of the envelope as part of a longer-term move away from production based support.

4.2 The following points were made:

- it was important to minimise bureaucracy in administering the new provisions;
- consideration should be given to utilising the national envelope to assist young farmers through priority access to quota held in reserve. It was noted that this would require consolidation of upland and lowland Welsh reserves;
- some Members felt that regard should be given to small farmers when deciding on the most appropriate option, others that it should be used for more creative restructuring and the achievement of the Assembly’s wider objectives;
- the Minister confirmed that the basic premium could be reduced to double the size of the national envelope. This option would be considered in the light of experience in 2003.

4.3 It was agreed that further consideration of the use of SAPs national envelope, post consultation, would be included in the agenda for the 17 July meeting.

Action point

Further consideration of the use of SAPs national envelope, post consultation, to be included in the agenda for the 17 July meeting – **Minister, Agriculture & Fisheries Policy Division, Secretariat.**

Item 5: Committee's policy review of organic farming: ARD 06-02(p4)

5.1 Gareth Rowlands outlined the key points contained within the paper from the Agri-food Partnership Organic Sector Strategy Group. He drew particular attention to the need to protect the Organic Farming Scheme; to increase the capacity for processing organic produce; to increase farmers markets; and to expand the remit of the Organic Centre Wales.

5.2 In discussion the following points were raised:

- the comparative profitability of organic and conventional production. It was generally accepted that margins for organic produce were greater than for conventional foodstuffs. However, this was often a reflection of pressure on the price of conventional produce and so did not indicate long-term market stability in the organic sector. Continued pressure on margins raised concerns about the economic viability of the organic sector and sustainability of the market. Maintenance payments for production would address this and sustain the environmental and health benefits offered by organic production. Members had concerns, though, about developing a further section of the agricultural industry that was reliant on subsidy;
- there was a lack of sound evidence available to suggest that the consumption of organic produce brought about improvements in health and well-being, although a growing body of evidence linked food quality to health. A number of research studies were currently underway to establish the difference in quality between organic and conventional produce;
- clarification was also required of the environmental benefits of organic farming and its use as an agri-environmental measure. Nic Lampkin said there was clear evidence to suggest that organic farming brought about environmental benefits although further research was needed on impacts in upland areas;
- improved co-ordination between suppliers to address the current fragmentation of the supply chain was needed in order to meet demand. It was suggested that consideration should be given to establishing a single strategic body to co-ordinate the supply of domestic organic produce. Members noted that support had been sought from the Wales Co-operative Centre on this matter;
- there was a lack of information about the scope for import substitution and concern that the high levels of imported organic produce were hindering the development of the organic sector in Wales. The current favourable exchange rate combined with the ongoing support mechanism for the organic sector in other EU member states enabled imported produce to remain competitive.
- supermarkets should play a key role in the promotion of organic sector. Further steps should be taken by large retailers to inform consumers about organic produce. It was suggested that a publicity campaign aimed at raising consumer awareness about the potential benefits of organic produce should be considered.

- the current lower than anticipated level of conversion was attributed, in part, to a loss of producer confidence in the market. It was vital to rebuild confidence if the sector was to continue to develop. Improved market information was crucial in this regard. It was noted that the level of funding available for conversion was not a current constraint on the growth of the organic sector;
- Members sought clarification on the standards of organic certification. The term was covered by regulations in the UK and throughout the EU. Around 95% of organic standards were common across the EU.

Item 6: Strategic Forward Work Programme: ARD 07-02(p5)

6.1 The Committee approved its strategic forward work programme for the year to May 2003.

Item 7: Annual report to plenary: ARD 07-02(p6)

7.1 The Committee approved its annual report to plenary for 2001-02.

Item 8: Minutes of the previous meeting: ARD 06-02(min)

8.1 The Committee approved the minutes of the 17 April meeting.

Committee Secretariat - May 2002