

Minutes

Date: Wednesday 15 May
Time: 2.00pm to 4.55pm
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
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

Rory O’Sullivan	Agriculture & Fisheries Policy Division
Mike Dunn	Food & Farming Development Division
Stephen Nicholls	CAP Management Division
Gwyn Jones	Animal Health Division
Huw Jones	Countryside Division
Jasper Roberts	Rural Policy Division
Emyr Roberts	Economic Policy Division
Dafydd Jones	Farmer and member of YFC Wales
Jonathan Rees	Farmer and member of YFC Wales

Secretariat

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. Apologies had been received from Jocelyn Davies.

2. The following declarations of interests were made:
 - The Chair declared that he and his wife were partners in a farming business.

 - Peter Rogers declared that he, his wife and son were partners in a farming business.

 - Mick Bates declared that he and his wife were partners in a farming business.
 - All three referred to fuller details available in the Register of Members' Interests.

Item 2: Minister's report: ARD 08-02 (p1)

CAP Mid Term Review

2.1 Members noted that formal proposals from the Commission on the CAP mid-term review were expected in June 2002 and that it would be difficult to frame meaningful discussion in Committee until then. The Chair agreed that a future Committee agenda would include consideration of Commission proposals on CAP mid-term review as soon as possible after their publication.

Disposal of fallen stock

2.2 Concern was raised about the effect of the proposed EU Animal By-Products Regulation given that no area of Wales was likely to qualify under the derogation for remoteness. A working group had been established to consider alternatives to on-farm burial.

Forestry

2.3 The Committee welcomed the take-up of the budget of the Cydcoed (Woods for all) Initiative and the extension of funding to cover the period up to March 2004. The Minister agreed to include evaluation of the success of forestry schemes, including job creation and new markets identified, on a regular basis in his report to the Committee.

Sudden Oak Death

2.4 Subordinate legislation to prevent imports of certain plants from those parts of the United States (US) associated with sudden oak death had been approved by the Assembly. The Committee welcomed the steps taken to publicise the risks of the disease such as writing to all nurseries and placing information on the Department for Environment, Food and Rural Affairs website. The Committee noted that these were precautionary measures as the impact of the US strain on European oaks was not yet known.

Misuse of agricultural chemicals

2.5 The Minister agreed to include in his next report comprehensive data on all animal poisonings from agricultural chemicals.

Other issues

TSE Regulations

2.6 The Committee made clear its strong wish to consider the draft TSE Regulations for Wales. The equivalent order had already been made in England but had been prayed against in the House of Lords where a debate would take place later that day. Subject to this no decision had yet been taken on the handling of the order in Wales. The Chair agreed that the agenda on 29 May should include consideration of the draft TSE Regulations unless they had been made under Executive Procedure beforehand.

Livestock markets

2.7 Guidance on the operation of re-opened sheep markets would be issued in the following week.

Action points

Committee agenda to include consideration of the Commission proposals on CAP mid-term review as soon as possible after their publication – **Secretariat, Minister, Agriculture & Fisheries Policy Division.**

Evaluation of the success of forestry schemes including job creation and new markets identified, to be included on a regular basis in the Minister's report – **Minister, Food & Farming Development Division.**

Next Minister's report to include comprehensive data on all animal poisoning from agricultural chemicals– **Minister, Food & Farming Development Division.**

Committee agenda on 29 May to include consideration of draft TSE Regulations unless they have been made by Executive Procedure beforehand – **Secretariat, Minister, Animal Health Division.**

Item 3: Independent Appeals mechanism: ARD 08-02(p2)

3.1 The Committee welcomed the implementation of the independent appeals mechanism, which had been fully operational since October 2001.

3.2 Clarification was sought on the appropriate submission of IACS forms and the acknowledgement of claims. Further improvements in the application process would help minimise the number of appeals.

3.3 The Minister agreed to include details on ‘obvious error’ and a breakdown of appeals received by scheme in his next written report.

Action point

Next Minister’s report to include details of ‘obvious error’ and a breakdown of appeals received by scheme – **Minister, CAP Management Division.**

Item 4: *Diversifying the rural economy*: ARD 08-02(p3)

4.1 Members welcomed the wide range of actions to support the rural economy identified in the Cabinet’s response to the Committee’s recommendations. However, concern was raised in a number of areas:

- the absence of a clear, strategic lead from the Welsh Assembly Government for rural development;
- the degree to which policy was informed by sound evidence and detailed statistical data;
- the inadequacy of specific performance measures for rural areas and policies;
- the degree to which Welsh Assembly Government policy focussed on the wider rural economy rather than simply the agricultural sector;
- the extent of effective evaluation of the overall effect of rural development initiatives;
- the degree to which the Welsh Development Agency’s (WDA) prioritisation of rural issues had been altered following the Committee’s recommendations;
- the need for a clear and workable definition of rurality;

- the need for closer co-operation between the Welsh Assembly Government's agriculture and education departments and the wider role of schools in the development of rural communities.

4.2 In response, the following points were made:

- Since the production of the Rural Partnership Statement the Partnership had indicated that it wished to concentrate on specific issues, such as the Age-Balanced Communities project, rather than the production of an overarching vision for rural development.
- The establishment of the Economic Research Advisory Panel would serve to improve the quality of available economic data. The panel was soon to meet for the first time and would then decide its programme of research.
- Work was in hand by the Statistical Directorate on the definition of rurality, although it was not possible to put a precise timescale on this.
- It was not always possible or meaningful separately to identify the rural element of national programmes.
- The most recent WDA remit letter emphasised more than before the importance of the Agency's rural development responsibility and the Rural Affairs Minister now met regularly with the Chair of the WDA.

4.3 The Chair agreed that the Committee's agenda in six months time, would include further consideration of the implementation of recommendations in the Committee's report *Diversifying the rural economy*.

Action point

Committee's agenda in six months time, to include further consideration of the implementation of recommendations in the Committee's report *Diversifying the rural economy* – **Secretariat, Minister, Rural Policy Division.**

Item 5: Committee's review of organic farming

5.1 Dafydd Jones outlined the background to his farming business and explained that he was in the process of organic conversion. He highlighted his reasons for conversion, which included evidence of an expanding market; influence of the media on consumer purchasing and subsequent market trends and the financial incentives and grants available.

5.2 Jonathan Rees explained that he had been farming organically for two years and was currently

establishing a processing unit. He suggested there was a need to commit additional resources to marketing the organic sector, possibly through a levy on producers; to encourage small farmers into organic conversion by extending the period over which financial support was available; to label imported produce; and to increase flexibility in the grants available.

5.3 The following points were raised in discussion:

- assistance with on-farm processing and the development of links with local hotels and restaurants would strengthen the supply of organic produce at a local level; the advice and assistance available generally met the needs of farmers, however further benefit would be derived from improved marketing information;
- co-operation between producers within the supply chain would assist in securing adequate prices from retailers to ensure profitability. It was felt that the practice adopted by supermarkets, which involved setting out clear requirements including production targets, was helpful to farmers;
- it was important for farmers to become self-sufficient and sustain profitability without becoming dependent on the subsidy regime;
- the potential impact of organic farming on the environment;
- the premium on organic produce was necessary to meet the additional costs incurred for seeds and fertiliser;
- organic production required greater planning on the part of the farmer to ensure that the yield of land and stock was maximised. When well managed, experience and current research illustrated that the system also had benefits in terms of animal health and a lower reliance on vaccines and medicines.

Item 6: Minutes of the previous meeting: ARD 07-02(min)

6.1 Subject to a minor amendment, the Committee approved the minutes of the 1 May meeting.

Committee Secretariat - May 2002