

Environment and Sustainability Committee

Meeting Venue:
Royal Welsh Show – Builth Wells

Meeting date:
25 July 2012

Meeting time:
11:00

Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales



For further information please contact:

Lara Date
Committee Clerk
029 2082 1821
ES.comm@wales.gov.uk

Agenda
Royal Welsh Show

1. Introductions, apologies and substitutions

2. General scrutiny of the Deputy Minister for Agriculture, Food, Fisheries and European Programmes (11:00 – 12:00)

E&S(4)-22-12 paper 1

Alun Davies AM, Deputy Minister for Agriculture, Food, Fisheries and European Programmes

Gary Haggaty, Head of Agriculture, Fisheries and Rural Strategy

3. Inquiry into Glastir – Evidence from the Deputy Minister for Agriculture, Food, Fisheries and European Programmes (12:00 – 12:30)

E&S(4)-22-12 paper 2

Alun Davies AM, Deputy Minister for Agriculture, Food, Fisheries and European Programmes

Gary Haggaty, Head of Agriculture, Fisheries and Rural Strategy

Agenda Item 2

Environment and Sustainability Committee

E&S(4)-22-12 paper 1

General scrutiny of the Deputy Minister for Agriculture, Food, Fisheries and European Programmes

Agriculture, Food, Fisheries and European Funding Portfolio

1. As Deputy Minister for this wide ranging portfolio, I have the opportunity to develop new, integrated and innovative strategies to ensure increased prosperity in our agricultural, aquaculture and rural economies, ensure our land and water based industries thrive and prosper, and ensure that we maximise the benefits for those economies from the funding which we allocate.
2. Our activities in these areas of policy can have a significant contribution to the key themes of improving sustainability, wealth creation and wellbeing which lie at the heart of our Programme for Government.

Priorities

3. Whilst it is not possible to address every issue within my portfolio in this paper, I have outlined below further details on some of my priorities and the activities which I am progressing.

Working Smarter

4. Working smarter means providing a measured and appropriate regulatory framework for our customers, the people of Wales. An important piece of work has been to investigate the regulatory burden on our farmers and to deliver improved customer service. The 74 Working Smarter recommendations cover 7 key issues including:
 - Communications
 - CAP support
 - Inspections
 - Animal health & welfare
 - Record keeping
 - Environmental regulations
 - Diversification
5. Our work on Better Regulation and Working Smarter will reduce the regulatory burden on farming businesses and help them to achieve compliance as swiftly and sensibly as possible. Farming Connect and the Farm Liaison Service, alongside other front facing officials within my Department, will help deliver this objective by providing well informed assistance and support to farmers and forest holders.
6. The rapid development of on-line applications will simplify the SAF application for customers and a dedicated stakeholder group is already

heavily involved. We will begin piloting the system in November 2012 and both SAF and Glastir application processes will be available on-line in 2014.

7. I am actively implementing an action plan to deliver the working smarter recommendations that were put to me by Gareth Williams in January. Committee members will be aware of the progress report in the shape of a Written Statement I made to the National Assembly on this matter on 16 July 2012.

Food Strategy

8. The Food Strategy, launched in December 2012, took a broad and integrated approach to overarching issues such as health, food culture, education, food security, and climate change. This had not been done before. However, I now want to go further and identify what now needs to be done on specific actions, to develop and support the businesses in our food sector in creating jobs, wealth and sustainable businesses.
9. I welcome the establishment in October of the Food and Farming Sector Panel. Its members have a deserved reputation for excellence across the sector, and they have an important role in providing additional advice to Welsh Government on the key issues. This places food and farming at the heart of the Government's economy policies.
10. I am aware that the Panel has been focussing on developing its advice to Ministers on a set of strategic priorities, and the subsequent interventions that they feel are needed to deliver more jobs and growth in the economy. In particular, they have looked at some of the current business support structures, public procurement, food promotion, engagement with retailers, and branding awareness of food from Wales. The Panel intends to submit advice to Ministers following their July meeting.
11. I have made a clear public commitment to ensuring our food sector has a greater priority in the coming years. One of the six EU wide priorities under the next Rural Development Programme is to promote food chain organisation in agriculture through better integrating primary producers into the food chain through quality schemes, promotion in local markets and short supply circuits, producer groups and inter-branch organisations.
12. To inform my future decisions on the priorities for government interventions, I hosted a high profile food summit at the National Botanic Garden on 12 July of this year, and was delighted that HRH the Prince of Wales agreed to open the event. I took this opportunity to listen to the views of key players in the Food Sector. The summit will be a springboard for our strategic approach to food production in Wales and I look forward to making further statements on the results of the summit later this year.

13. I also, in June of this year, hosted a dairy summit in Aberystwyth. Committee Members will have seen the Written Statement that I issued on 11 July following the dairy summit.

Fishing Industry

14. The statement I made to the National Assembly for Wales on 27 March set out the Welsh Government's approach to the management of our fisheries. In my statement, I outlined my ambition for our fisheries to achieve long-term sustainability, to secure both the fish stocks and the fisheries jobs in our coastal communities. The majority of our fisheries are sustainable by their nature, dominated by small vessels that can only work for around 100 days per year and in the main make use of static gear that achieves a high level of selectivity – enabling undersized fish to be returned alive.

Common Fisheries Policy

15. In my statement on 27 March I outlined the approach the Welsh Government has undertaken in responding to the proposals to reform the Common Fisheries Policy (CFP). I indicated that I have been making the case that a reformed CFP will need to consider carefully the needs of the small scale coastal fishing communities. In addition, I have pressed for a more regional approach that enables respective Member States to work together and develop management measures in areas such as the Irish Sea. I welcomed the agreement reached in Luxembourg in June.

Common Agricultural Policy

16. I made a statement to the National Assembly for Wales on 22 May when I published CAP Reform 2014: The Welsh Government Response, this paper frames my position and view on the current reform proposals. In addition to this I am carrying forward a number of actions under the CAP banner, as set out below.

Differential payments

17. I recognise that a change to an overly simple per hectare land-based calculation of Direct Payment could produce some far-reaching and abrupt changes in Wales. The Welsh Government may consider a combination of the mechanisms to permit the continuing functioning of markets and social cohesion following the change to area based payments. These include the potential use of a number of differentiated per hectare payment rates; possible use of a coupled aid scheme; a refined eligibility criteria for the land and active farmer; and a transition over a far longer period than the proposals allow, and in more measured steps. I have pressed the European Commission on this and have received a favourable response to operating a differential payment system in Wales. Modelling work has been ongoing, and will continue to determine the best option for Wales. I will launch a consultation on these issues in the Autumn.

CAP Greening

18. The draft greening proposals are complex and some of the proposed measures could be difficult to deliver in Wales. I have consistently pushed for membership of Glastir to automatically equate to greening and recent proposals from the Commission show support for this. I will continue to press the Welsh position at EU level for further refinement of the measures.

Active Farmer

19. In the face of universal pressure, we expect the Commission to drop the household income test from the definition of an active farmer and allow a Member State definition. I am pushing for regional flexibility in setting this definition and I feel that the active farmer concept should be measured by activity 'on the farm' and not activity 'off the farm'. If the land is used and maintained in Good Agricultural and Environmental Condition (GAEC) then the essential conditions for agricultural purposes are met.

Entitlements

20. I am pressing for the use of entitlements to be decided at a regional level and that they should be voluntary. I am proposing that the Commission considers allowing us to operate without a system of entitlements after the end of the proposed transition period.

21. In addition, the proposals state that only farmers who received the Single Payment in 2011 through activating at least one payment entitlement will be eligible to receive payments in 2014. I have consistently called for more flexibility in this approach. Recent discussions I have had on this issue show that the European Commission is being pressed by both the European Parliament and the Presidency on these same concerns.

Transitional Payments

22. I consider the proposed 5 year transition period to be too short in that it fails to recognise the significant impacts for some associated with the move to area payments and is insufficient to allow farmers to make the necessary adjustments to their farm enterprises. I am continuing to press for a longer transition of 7 to 10 years, and for greater flexibility in our ability to deliver this policy.

Current Rural Development Plan

23. The current RDP has nearly 80% of its funding focused on agri-environment measures but continuing in this vein would restrict opportunities to invest in other priorities such as rural employment, SMEs and community renewal. I have committed to a minimum threshold of 60% for our agri-environment activity in the next round of RDP. I will review this

figure as we move forward, but this is clear evidence of my commitment to protect the environment in Wales.

24. I have recently established a Rural Development Plan Advisory Group to make recommendations on what the new programme for 2014 – 20 might look like. A main focus of the group is to explore all the possibilities and opportunities to mitigate against the impact of the changes from the historical single payment scheme to area based payments under the pillar 1 reforms. The group will look at the most effective way that we can target our interventions in future to protect our valuable environment, promote and support rural communities to become sustainable and economically vibrant, and ensure our farming businesses are strong enough to generate wealth and protect and create jobs.

Electronic Identification (EID)

25. I have set out the latest separate positions on the issues of Sheep and Bovine EID under the headings below.

Sheep EID

26. I announced in March that Wales would develop an electronic movement service for sheep, incorporating an individual sheep database – ‘EIDCymru’. Work is progressing to develop the service and I expect to make further announcements in the Autumn. The system will provide a central infrastructure that enables farmers to maintain their holding registers, report movements and, for those who choose to use commercially available on farm software systems, to report movements electronically.
27. The service will replace the current manual processes so that movement data can be captured once and used many times. This will remove much of the current bureaucracy, but EID also provides opportunities for farmers to improve their profitability. We are actively assessing the additional commercial opportunities of using EID and will encourage farmers to consider these opportunities as they become available.

Bovine EID

28. The European Commission announced in August 2011 proposals to introduce electronic identification and repeal the current voluntary beef labelling requirements. This could mean significant changes for all EU Member States, allowing them to impose compulsory electronic identification, or to implement electronic identification alongside existing systems. Some concessions are included but the potential impact will need to be carefully assessed, in particular the cost and complications of operating a dual system, as well as the significant IT investment required.

29. During negotiations at official level a range of issues have been aired with the UK's primary concern relating to the voluntary option, which currently allows farmers (rather than Member States) to choose when to introduce EID. This, I feel, would be confusing if implemented as drafted. Recently, a compromise has emerged, which provides autonomy for Member States to decide whether to implement voluntary or compulsory EID for a period of time (possibly 7 years), after which Member States will be required to introduce compulsory EID.
30. The eventual proposal will be considered by the European Parliament and Council of Ministers. The earliest that agreement is expected is the end of 2012 and further detailed discussions mean that the provision may not apply until 2013-14 or even later.
31. Implementation in Wales will require consideration of the requirements in other GB administrations to agree the eventual legislative and IT system changes necessary.

Dairy Sector

32. I remain committed to doing all I can to support the dairy industry in Wales and the Welsh Government provides a wide range of support at various stages of the supply chain, through a number of important channels.
33. Milk production and processing is a key part of our nation's heritage. Good husbandry and quality primary products, as well as excellent processing capability, is an emblematic part of the Welsh culture. I am keen to re-examine the priorities for the industry to ensure it has a healthy long term future.
34. The dairy summit on 22 June brought together stakeholders from the dairy industry so they could discuss the key issues. The purpose of the summit was to listen to their views especially in respect of what they felt the Government's priorities should be. I will use the information from the event to fully inform my future decisions on support for this important sector of the industry.
35. I am keen to engage directly with key stakeholders in the dairy industry and have clearly stated that the Welsh Government wishes to re-focus attention on delivering targeted actions to increase the economic contribution of the sector and increase employment, in line with the current Programme for Government. The June summit, alongside the high profile Food Summit on 12 July, are both critically important in informing the decisions I make on how best to target government interventions in the short and longer term to deliver the best possible benefits to the industry and economy.

Groceries Code Adjudicator

36. The establishment of a Groceries Code Adjudicator (GCA) will enforce the Groceries Supply Code of Practice along the supply chain to ensure good practice and investigate any suspected unfairness. Although competition policy is not devolved, the role of the Adjudicator may impact on food and farming development devolved functions. The Adjudicator will be paid for by the larger retailers.
37. The Welsh Government has long supported the establishment of a GCA, as reaffirmed in the 2011 Programme for Government, and I have been pressing for the GCA to be strengthened to have the power to fine from the outset, to hear complaints anonymously, and to ensure the widest possible access, which would include indirect suppliers such as farmers and trade associations. Whilst the new Bill makes good on issues of access and confidentiality, it falls short of giving the GCA from the outset the power to fine those retailers found to be abusing the groceries code. My officials have worked with the UK Government to represent Welsh interests fully. I have also written to the Department for Business, Innovation and Skills, and expect to meet the UK Minister to take the matter forward.
38. The Welsh Government broadly supports the Groceries Code Adjudicator establishment across the UK. I hope to see some further improvements in this Bill as it progresses through the UK parliament; and to seeing the body itself being established shortly thereafter.

Sustainability

39. The Welsh Government is committed to policies and operations that are sustainable. The priority areas reported in this paper have at their core support for all aspects of best practice in managing the land, efficient farming, food processing, energy and water use, and reducing waste. Importantly, best practice will also contribute to the Welsh Government's Climate Change Strategy objectives of cutting greenhouse gas emissions by 3% annually and being able to adapt to the impacts of a changing climate. My portfolio is a paramount policy driver and is integral to achieving the Welsh Government's aspirations of being at the forefront of sustainable development and meeting the challenge of climate change.

Alun Davies
Deputy Minister for Agriculture, Food, Fisheries and European
Programmes
July 2012

Environment and Sustainability Committee

E&S(4)-22-12 paper 2

Inquiry into Glastir – Evidence from the Deputy Minister for Agriculture, Food, Fisheries and European Programmes

Glastir: Background

1. In September 2008 the then Minister for Rural Affairs, Elin Jones AM, announced a review of RDP Axis 2 schemes in Wales. The review found that the existing schemes lacked objectives and a clear baseline and that their success and the extent to which they addressed the recently introduced CAP Health Check proposals could not be fully assessed. On May 5 2009, the Minister announced that from 1 January 2012 the four existing Axis 2 schemes in Wales (Tir Cynnal, Tir Gofal, Tir Mynydd and the Organic Farming Scheme), would be merged into a new single scheme, entitled Glastir. Glastir would address the new challenges outlined in the Health Check proposals. It was later announced in July 2010 that the Better Woodlands for Wales (BWW) scheme would also be replaced by Glastir.

2. A period of extensive stakeholder consultation followed the announcement. Welsh Government officials met with key stakeholders including the farming unions, the CLA, the National Parks, Welsh Commons Forum, environmental agencies and other non-governmental organisations with an interest in sustainable land management objectives on many occasions. There were also in excess of one hundred meetings with farmers as part of the process of explaining the new scheme to potential applicants within the industry.

3. Following the closure of the 2010 Glastir application window the then Minister announced an independent review of the Glastir All Wales Element – the Rees Roberts Review – which brought together representation from the farming unions, the CLA, the Organic Centre Wales, Wales Environment Link, the YFC and the Dairy industry. The review reported in March 2011, outlining 69 recommended actions. The majority of these actions were accepted by the Minister and by me on my appointment as Deputy Minister for Agriculture, Food, Fisheries and European Programmes following the Assembly election. The actions were largely implemented by the autumn of 2011.

Uptake and roll out across all elements of the Glastir scheme is outlined in Table 1.

Scheme element	Contracts/Demand
----------------	------------------

All Wales Element 2012	1,700 signed contracts
All Wales Element 2013	c.700 applicants
All Wales Element 2014	c.9,000 expressions of interest on SAF
ACRES 2012	700+ application for themes selected
Targeted Element 2013	420 selected for visit
Glastir Woodland Management	249 applications
Glastir Woodland Creation	356 contracts
Common Land Element 2012	107 contracts
Common Land Element 2013	100+ expressions of interest

Table 1: Uptake of Glastir components

4. The initial high numbers of expressions of interest for the All Wales Element and the aspirations set for the scheme by the Welsh Government have meant that the initial uptake of the All Wales Element met with some criticism. Approximately 3,000 farmers did apply during the first application round of the Glastir All Wales Element (AWE) in autumn 2010. In total just over 1700 farmers signed up to Glastir AWE contracts in the first year and a further 700 applications were received in the next application window. Before the first application window was opened a number of extension arrangements (Table 2) were put in place for existing Tir Gofal, Tir Cynnal and Tir Mynydd recipients which benefitted over 12,000 farmers but significantly reduced the demand and potential for farmers to join the Glastir AWE in the early years. The rapid introduction of the Rees Roberts review changes did also add some confusion to the application process for those who had already applied with some farmers withdrawing to consider further their options in light of the changes made.

<u>Scheme name</u>	<u>Agreements extended to end of 2013</u>
<u>Tir Gofal</u>	<u>3,799</u>
<u>Tir Cynnal</u>	<u>2,820</u>
<u>Organic farming schemes</u>	<u>1,032</u>

Table 2: Extension arrangements in place for existing agri-environment schemes.

5. Elsewhere, the scheme has had considerable success. Demand for the Common Land Element has been particularly high and if current expressions of interest are converted to agreements then it has been estimated that over 75% of eligible common land (currently over 35%) will have entered the scheme by the beginning of 2013. This compares to less than 2% of Common Land within an agri-environment scheme prior to the launch of Glastir. This will be a significant and important step towards delivering sustainably managed uplands which is critical to effective management of Welsh carbon sinks, biodiversity and water management.

6. The ACRES, Glastir Woodland Management and Targeted Elements have all been well subscribed to and the numbers of contracts delivered in the first year are /or are likely to be limited by budget and processing resources rather than demand. Applicants who meet the criteria for selection who were unsuccessful in the first year will continue to be considered in further selection rounds as the scheme continues to roll-out. The Glastir woodland Creation scheme has also had good demand compared to previous woodland planting schemes paid for under Axis 2 of the RDP.

7. I made a statement to the National Assembly in March on the numbers of farmers who had entered the Glastir scheme and announced that I would take stock of the scheme over a suitable period of time and make a further announcement before the summer recess. On 3 July I announced, through an oral statement to the National Assembly, the outcome of my stocktake.

Stocktake Outcome

8. The full stocktake report and my oral statement of 3 July is available on the Welsh Government website at <http://wales.gov.uk/topics/environmentcountryside/farmingandcountryside/farming/glastirhome/glastirstocktake/glastirstocktake/?lang=en>.

The headline outcomes of my stocktake are:

- An open application process rather than an application window with annual cut-off dates from 2013 onwards.
- Commitment to reduce record keeping requirements wherever possible.
- More resources to improve strategic and operational level communications of the scheme.
- Wider utilisation of the successful Commons Development Officer initiative to support other components of the Glastir scheme
- The acceptance of 148 recommendations made as part of the stocktake process.
- Renaming of Glastir elements to provide greater clarity to potential applicants in the farming industry (see Table 3)

Old name - <i>Glastir All Wales Element</i> :
New name - Glastir Entry / Glastir Sylfaenol

<i>Glastir Targeted Element:</i>

Glastir – Advanced / Glastir Uwch
<i>Glastir Common Land Element:</i> Glastir – Commons / Glastir – Tir Comin
<i>Glastir Woodland Creation Scheme:</i> Glastir – Woodlands creation / Glastir - Creu Coetiroedd
<i>Glastir Woodland Management Scheme:</i> Glastir - Woodlands management / Glastir Rheoli Coetiroedd
<i>Agricultural Carbon Reduction and Efficiency Scheme:</i> Glastir - Efficiency grants / Glastir - Grantiau Effeithlonrwydd

Table 3

10. Additional scheme detail changes that I accepted which require a further modification of the RDP will be held back until the outcome of the 'Greening' proposals under pillar 1 of the CAP reform proposals are known and the new Rural Development regulations are in force. The alternative would have been to amend the current RDP before the end of 2013 and then have to introduce further changes as a result of CAP reform in the following year but this would have required a number of contract re-writes and continued scheme instability. I have decided therefore that these changes will be implemented in 2015 to provide the period of scheme stability that farmers have been pressing for.

Specific questions from the Environment and Sustainability Committee and the Welsh Government response.

QU. *How much funding has been committed by the Welsh Government in All Wales Element contracts for the calendar year 2012?*

WG Response Current estimate of expenditure for 2012 on All Wales Element contracts is £5,881,999.

QU. *How much funding has been committed by the Welsh Government in ACRES Element contracts for the calendar year 2012?*

WG Response The value of commitments made from the ACRES 2012 selection round (these will be paid over 2 financial years) is outlined in Table 4 below. Not all claims have been processed yet.

**The table allocates cost on the basis of all applicants applying at the 40% rate. However, the figures will be somewhat higher because of young farmer applicants who receive 50% grant. (this data is not available at present).*

	Quote Value	At 40% Grant
Total Value of 2012 selection round items anticipated to be claimed in 2012/2013	£3,066,787	£1,226,714.80
Total Value of 2012 selection round items anticipated to be claimed in 2013/2014	£7,889,929	£3,155,971.60
Total Value applied for	£10,956,716	£4,382,686.40

Table 4 ACRES 2012 financial commitments forecast

In its letter of 21 June 2012, the Committee raised the following issues which they would like to explore further

***Issue 1:** Communication of the scheme's objectives and suggestions as to how the perceptions of the scheme could be improved - Stakeholders highlighted that there is a continued perception amongst farmers that the scheme is difficult to access and that many farmers are still not aware of the changes made to the scheme following the Rees Roberts review. All stakeholders emphasised the importance of ensuring that those currently in the All Wales Element have a good experience*

WG Response: The Welsh Government has accepted the recommendations of the stocktake that strategic and operational level communications of the Glastir scheme need to be improved. A strategic communications officer is to be appointed to manage the communications plan for the Glastir scheme. In particular, this plan will focus on re-communicating the main objectives of Glastir, demonstrating success stories and using case studies to help farmers understand what the scheme's objectives are and how they might engage with the process.

***Issue 2:** The absence of project officers to support the All Wales Element – several respondents suggested to the Committee that the increased use of project officers could help to increase participation in the scheme.*

WG Response: Project officers signing up farms on a 1 to 1 basis are an extremely resource intensive approach to signing up farms to entry level agri-environment schemes. The highest number of farmers signed up to Tir Gofal in any one calendar year was approximately 700 at a time when over 40 project officers were employed by the Welsh Government. This level of resource provision is not possible within the current financial climate. The GIRG 2011 recognised the limitations of internal government resources in the current economic climate and on balance concluded that the preferred approach was for farmers unable to complete their forms alone to secure their own advice to help them join the scheme – in some cases by using the existing RDP funded Farming Connect service. Many farmers did access this

service to help them decide whether it made business sense to join Glastir. The GIRG 2011 felt that the use of existing services such as Farming Connect was a better solution than using additional money from the RDP budget to fund dedicated Glastir All Wales Element officers.

However, the Welsh Government has been very impressed by the performance of the Commons Development Officers (CDOs) in facilitating the formation of grazing associations and applications to the Common Land Element. With the majority of eligible common land now either within the scheme or covered by an expression of interest this year, there is now an opportunity to use this CDO resource more widely. The Welsh Government will enter discussions with the Local Action Groups (LAGs) to seek to renew and amend the CDO contract to make their support more widely available within Glastir in particular to provide local surgeries and advice services.

***Issue 3:** The record and information keeping requirements of the All Wales Element and suggestions for how these could be simplified – questions were raised about the necessity of some of record keeping requirements and serious concern was expressed about the subsequent bureaucracy that these requirements generated;*

WG Response: European Commission Regulations require some scheme requirements to be verified and controlled by the keeping of records. As outlined in my statement on 3 July, these requirements will be reviewed to ensure that the WG is not asking for more than the European Commission auditors require.

***Issue 4:** Concern about the payment mechanisms for capital works and the need to better explain these new mechanisms to farmers – the change of approach and how it has been communicated was identified as creating uncertainty for farmers;*

WG Response: This has been raised previously and farmers in the scheme seem to be fairly clear about how capital works are re-imbursed in the lifetime of the scheme but additional communications effort will be made to get this message across. Capital works in Glastir are re-imbursed at 100% on a 20% per annum basis for the 5 years of the agreement. Works have to be complete by the end of the second year. It has been accepted that an additional 3 month period should be given for this activity as an amendment under the next RDP which will allow farmers 2 full winters to complete the work. It should be noted that under the Tir Gofal scheme most capital works were re-imbursed at only 60%.

***Issue 5:** The Targeted Element and its relationship to the All Wales Element – issues were raised in relation to the lack of information available on the Targeted Element and the disconnect between the application processes of the two elements*

WG Response: It is intended to begin the streamlining of the AWE (now Glastir – Entry) and TE (now Glastir – Advanced) schemes from next year. Initially, The Welsh Government will do this by prioritising Tir Gofal agreement holders who have applied for Glastir – Entry and who score enough points to be selected for the Glastir – Advanced scheme. These farmers will have a contract manager visit prior to signing up to either element so that the “whole package” can be explained to them prior to signing. Longer term, I aim to roll this out to all applicants scoring sufficient points for the Advanced scheme in the year they apply for Glastir - Entry. Additional information about the Advanced element will also be made available on line.

***Issue 6:** Concern about the implementation of the Woodland Creation and Management Schemes – including whether the schemes adequately take account of the views of commercial forestry stakeholders.*

WG Response: Forestry sector stakeholders’ main concerns are in respect of the species change requirements for the re-stocking prescriptions for the over 400m elevation in the Glastir Woodland Management scheme. Stakeholders consider the maximum allowable percentage of primary species (e.g. Sitka spruce) to be too low. During consultation, the Welsh Government has already conceded an increase in this percentage from 70% to the present 75% - stakeholders have argued for a further increase to 80%. The secondary species mix is required to provide greater resilience against climate change, plant health risks and adds to the biodiversity value of woodlands. A comparison against the UK Forestry Standard (UKFS), which sets the minimum enforceable standards for a felling licence shows that if the commercial foresters’ demands were met the scheme would deliver only a 3% area benefit over the baseline UKFS requirements over the payable area for the scheme. This would not represent good value to the people of Wales and provide limited additional environmental benefit from the scheme.

I have accepted in my response to the stocktake lowering the elevation bands by 50m so that a higher percentage of primary species can be used at lower altitudes. In addition, I have accepted that the Glastir Woodland Creation scheme needs to be looked at in further detail so see if it is possible to reduce the area immediately classed as ineligible for planting.

Alun Davies AM
Deputy Minister for Agriculture, Food, Fisheries and European Programmes