

# Environment and Sustainability Committee

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Meeting Venue:  
**Committee Room 3 – Senedd**

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Meeting date:  
**Thursday, 30 April 2015**

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Meeting time:  
**09.30**

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Cynulliad  
Cenedlaethol  
Cymru

National  
Assembly for  
Wales



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## Agenda

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### **1 Introductions, apologies and substitutions**

### **2 Agricultural policy – priorities for 2015–16: Evidence from stakeholders (09:30–10:30) (Pages 1 – 35)**

Stephen James, President, NFU Cymru

Dylan Morgan, Deputy Director and Head of Policy, NFU Cymru

Emyr Jones, President, Farmers' Union of Wales

Nick Fenwick, Director of Agricultural Policy, Farmers' Union of Wales

Dennis Matheson, Chairman, Tenant Farmers Association Cymru

E&S(4)-12-15 Paper 1

E&S(4)-12-15 Paper 2

E&S(4)-12-15 Paper 3

### **3 Agricultural policy – priorities for 2015–16: Evidence from stakeholders (10:30–11:00)**

Ceri Davies, Rural Affairs Committee Chairman, Wales YFC

Carys Vaughan, Rural Affairs Committee Vice-Chairman, Wales YFC  
Representative from Future Farmers of Wales (TBC)

**Break (11:00–11:10)**

#### **4 Agricultural policy – priorities for 2015–16: Evidence from stakeholders (11:10–12:00) (Pages 36 – 44)**

Tim Bevan, Farm Business Advisor, Soil Association

Arfon Williams, Countryside Manager, RSPB

Tony Little, Project Officer, Organic Centre Wales

Haydn Evans, Welsh Organic Group

Keri Davies, Welsh Organic Group

E&S(4)-12-15 Paper 4

E&S(4)-12-15 Paper 5

E&S(4)-12-15 Paper 6

E&S(4)-12-15 Paper 7

#### **5 Papers to note**

**Inquiry into the European Commission's proposed prohibition of driftnet fisheries: Correspondence from the European Commission (Page 45)**

E&S(4)-12-15 Paper 8

**Financial Scrutiny: Correspondence from the Minister for Natural Resources (Pages 46 – 47)**

E&S(4)-12-15 Paper 9

**6 Motion under Standing Order 17.42 to resolve to exclude the public from the remainder of the meeting**

**7 Consideration of the Committee's forward work programme (12:00–12:10) (Pages 48 – 50)**

E&S(4)-12-15 Paper 10



# Agenda Item 2

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## Environment and Sustainability Committee: Evidence on Agricultural Policy

NFU Cymru welcomes the opportunity to provide evidence to the National Assembly for Wales' Environment and Sustainability Committee on areas of agricultural policy that we believe the Welsh Government (WG) should prioritise over the next 12 months. We look forward to providing oral evidence to the Committee on the 30<sup>th</sup> April; ahead of that meeting we provide a brief note highlighting some of the key policy issues.

### **CAP Reform – Basic Payment Scheme Consultation**

As a result of the High Court Consent order of the 12<sup>th</sup> December the WG is currently consulting on alternative proposals for the implementation of the BPS in Wales from 2015. The position of NFU Cymru with regards to the BPS in Wales since the Commission launched their original proposals in October 2011 has been to consistently argue for a payment rate system that is the best fit and combination of land categories, payment models and payment rates that causes least disruption to farming businesses the length and breadth of Wales, but is not overly bureaucratic for farmers and Government alike. We would maintain that this should remain the guiding principle for Welsh Government. The Judicial review of the 400 metre moorland region has raised a number of issues that need to be addressed before land categories can be considered feasible for BPS and this may preclude this option being considered in this round of CAP reform.

Given that the WG consultation is ongoing and NFU Cymru is currently consulting widely with our membership ahead of formulating our response to this consultation it would not be appropriate for us to pass comment on which option within the consultation may be the most suitable to take forward at the present time. Once the current consultation is complete we look to the Deputy Minister to make an early decision on the WG chosen option to provide some clarity and certainty to the industry and to help with farm business planning.

The volatility seen across all sectors of Welsh agriculture over the past 12 months has highlighted once again the importance of direct payments to help manage price volatility, compensate for market failure and reward high standards of farming.

### **CAP Simplification**

The EU Agriculture Commissioner has placed CAP Simplification at the top of his agenda, this is crucial given the complexities that have been introduced as part of this reform process. NFU Cymru has submitted our list of priorities to WG, in summary we believe that the following areas need to be prioritised:-

**Greening rules**– The crop diversification and ecological focus area measures goes against all of our key core policy principles of simplicity, market orientation and increased efficiency.

**Greening errors** – Given how late information on greening was published by the Commission and subsequently disseminated by WG we would strongly argue for a light touch approach to be taken to

enforcement in 2015 and that tolerances (margins of error) are introduced with respect to the areas and proportions of crops declared under greening.

**Cross Compliance rules** – The option to leave land with a rough surface overwinter has not been retained in the current WG cross compliance rules. This will cause serious issues for many of our horticultural and arable growers. Unless this GAEC is amended then an early casualty of this rule could be the production of PGI Pembrokeshire early Potatoes. The Deputy Minister must urgently reconsider this matter.

**Cross Compliance penalties**- NFU Cymru is concerned that the current penalty regime sees farmers penalised across the Pillars – we are concerned that reductions for a BPS breach will be applied to Rural Development schemes even though the breach may have nothing to do with the scheme.

**Early warning system** - The regulations (1306/2013) allow for member states to set up early warning systems in the case of non-compliance of a minor severity, extent and duration. WG must take this up and apply to as many elements of the cross compliance standards as possible.

**Land with Trees and other ineligible features**- NFU Cymru is extremely concerned at the impact of the decision made by WG to exclude from the BPS eligibility criteria areas with tree densities equating to 100 trees per ha or more. This decision has been made as a result of Commission delegated regulation (EU) 640/2014. Wales has significant hectarages of farmland where trees, often in densities of greater than 100 trees / ha are interspersed with productive grassland. We would urge the commission to amend this delegated act at the earliest opportunity to ensure that the agricultural value of farmland with trees can be adequately supported.

### **Direct Payment Scheme – Implementation – Wales**

This year's Single Application form (SAF) is proving to be the most complicated and time consuming on record. NFU Cymru staff provide assistance to a significant proportion of our membership with SAF completion, they are reporting that the time taken to fill in the form is at least twice what it has been in previous years.

The main areas of concern surround the additional measuring required as a result of the WG decision on trees (highlighted above), the additional Greening mapping requirements and for farmers in Glastir the cross checking required between Pillar 1 and Pillar 2 schemes.

The additional complexity of the form this year, the introduction of a number of new elements and the extreme pressure that everyone is working under to ensure submission of the form by the 15<sup>th</sup> May deadline significantly increases the risk of unintentional errors creeping in to this year's form. We would request that the Deputy Minister provides reassurance to the industry that her department will take this into account when validating forms and provide opportunity for corrections to be made without penalty.

The Deputy Minister has repeatedly stated her intention to make part payments as early as possible in the payment window; this is one of the reasons why WG has not provided for an extension to the SAF deadline. We very much hope that payments will be made promptly and we ask that the Deputy Minister keeps the industry updated on progress towards payments, both when payment is likely to be made and what percentage of the total payment will be made. This is crucial so that farming businesses can work with their banks and their suppliers to manage cash flow.

## **Wales Rural Development Programme**

Following the announcement of the maximum pillar transfer back in December 2013, NFU Cymru has been lobbying continuously to ensure that the Wales RDP delivers real benefits back to farm. The RDP is seen as a key mechanism to deliver our vision of a productive, profitable and progressive Welsh agricultural industry. NFU Cymru is very keen to have a co-design and co-production role in the development of the programme. NFU Cymru is in favour of larger strategic projects which deliver direct benefit to farmers and have a transformational impact on the industry.

RDP projects should offer clear farmer benefit direct to farm level; should be designed to engender high levels of participation to deliver widespread change; should be easily accessible and these projects will need to be adequately resourced and given sufficient time to demonstrate effectiveness and impact.

RDP measures and schemes must have a measurable impact on farm viability; they should be outcome focussed, with performance regularly measured and monitored.

NFU Cymru has always argued that the Rural Development Programme must be used in a complimentary fashion to direct payments seeking to ensure that those businesses / sectors / regions that will be losing most in the move to an area based payment scheme have the opportunity to access RDP support, it is important that this matter is considered 'in the round' with the current WG BPS consultation.

NFU Cymru is extremely conscious that farmers have, in effect, lost 15% of their direct payments in December 2014 and have yet to be given the opportunity to recover this funding via the RDP. We need to ensure that schemes are ready to go as soon as the WG receive approval / letter of comfort from the Commission.

Approximately 60% of the RDP budget is earmarked for land based measures; we continue to have concerns with regards to the operation of the Glastir scheme. The complexity surrounding the application process for the various elements of the scheme and the scheme rules once a farmer has joined the scheme are a cause of major angst for the industry and need to be urgently reviewed. We would also argue strongly against targeting of Glastir contracts, we believe that all farmers who are prepared to undertake the work required to enter the scheme should be given equal opportunity to access agri environment scheme funding.

## **Wales Agricultural Strategy Development Programme**

NFU Cymru in principle welcomes the Deputy Minister's wish to develop an Agriculture strategy for Wales. For this to be effective the strategy must be jointly developed by Government and industry; the industry must be fully involved in the design, production, implementation and delivery of the programme.

Our vision is for the strategy to be focussed on delivering a productive, profitable and progressive agriculture industry in Wales. This strategy needs to be market focussed and champion and support production efficiencies that will not only support agricultural production but deliver on climate change and the environmental performance of agriculture.

It is through this strategy that future schemes should be designed and implemented. Whilst our primary focus now is on how the RDP can help deliver against our vision we should also look to other funding streams e.g. Agri Tech strategy to support our industry going forward.

To ensure that the strategy is a living, working document it is crucial that the governance arrangements are clear with the industry being able to agree with Government key targets and

outcomes for the strategy to deliver across the sectors and to ensure that all projects and schemes delivered under programmes such as the RDP work towards delivering against the strategy.

## **Bovine TB**

Cattle Keepers are doing their utmost to keep bovine TB out of their herds, they adhere to some of the most stringent cattle movement and testing controls in the world. The industry is actively engaged and involved with the three TB eradication boards across Wales and is fully supportive of the Cymorth TB project. Despite some reductions in the number of animals compulsorily slaughtered as a result of bovine TB over the past two years, in 2014 over 6,000 animals were still taken off farms as a result of this disease and over 1,000 herds are currently under restriction. Bovine TB continues to be arguably the biggest threat to our cattle herd and causes untold strain both emotionally and financially to farmers and their families.

Without a Government policy that actively removes the disease from areas of the country where we know that the wildlife population is also suffering this disease will continue to cause untold heartache and financial strain to cattle keepers and their families and we will continue to see this loss, on an annual basis, of thousands of productive cattle. Vaccination has an important role to play in a TB eradication programme but vaccination can only prevent uninfected animals from contracting the disease it cannot cure or eliminate infectivity from animals that are already suffering from this disease.

## **Working Smarter**

NFU Cymru has been fully supportive and engaged in the Working Smarter initiative since Gareth Williams was originally appointed to carry out the original review in 2011. We believe that the programme has achieved a number of successes perhaps most notably the development and implementation of RPW online. This success of this project is a direct result of the close working of Government and industry to achieve a common goal.

However we remain concerned with regards the slow progress to achieve genuine simplification for livestock Identification and movement controls, the current system causes confusion for farmers and administrators alike. We have consistently argued that genuine simplification can only be achieved by the implementation of the full package of measures as proposed by Gareth Williams in his report of January 2012. It is frustrating to consider that as we enter the last 12 months of this National Assembly the current timescales suggest that we will not see the introduction of Quarantine Units this side of Assembly elections. We are pleased that in recent months there has been some impetus to move forward with Quarantine Units which we hope will see them introduced before 2017 but this will mean that it will have taken 5 years to introduce one of the key recommendations of the Working Smarter report.

## **Conclusion**

Within this submission NFU Cymru has highlighted a few of the key priorities that Welsh Government should prioritise over the next 12 months. Clearly there are a wide range of other issues and policies that impact both directly and indirectly on the agricultural industry e.g. Food and Drink Action Plan, Environment Bill, Future Generations Bill. There are policies that may have a massive impact on farmers in certain areas of Wales e.g. potential new NVZ designations and areas where we must continue to work together to deliver benefits e.g. encouraging new entrants, mobility and succession in the industry and the Farm Safety initiative seeking to reduce the number of farm accidents in Wales.

NFU Cymru looks forward to providing oral evidence to the Committee on the 30<sup>th</sup> April.

\*\*\*ENDS\*\*\*







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17<sup>eg</sup> Ebrill 2015

Annwyl Mr Jones

Diolch am eich gwahoddiad i Undeb Amaethwyr Cymru gyflwyno nodyn byr yn amlinellu hyd at 10 o faterion amaethyddol y dylai Llywodraeth Cymru flaenoriaethu dros y 12 mis nesaf.

Atodaf ein ymateb.

Yn gywir

Nicholas Fenwick

**Pennaeth Polisi**

# **BRIEF NOTE OUTLINING AGRICULTURAL ISSUES THE WELSH GOVERNMENT SHOULD PRIORITISE OVER THE COMING TWELVE MONTHS**

## **Farmers' Union of Wales**

**17<sup>th</sup> April 2015**

### **Background**

The Welsh Government's Farm Business Survey results highlight generally low and volatile farm incomes, with average annual net farm incomes in the range £15,000 to £18,000 for livestock farms, and between £34,000 and £48,000 for dairy farms during the past twelve years (APPENDIX 1).

Despite such low incomes, the same survey results emphasise the importance of agriculture to the economy of our rural communities and Wales as a whole, with average annual inputs per farm (which can be equated to annual expenditure within the wider economy) being in the range £86,000 to £250,000 (APPENDIX 2).

As such, the Farmers Union of Wales believes the importance of agriculture to the economy of our rural communities and Wales as a whole warrants greater recognition, and that steps should be taken over the next twelve months which will improve the profitability of Welsh farms both in the short and long term.

### **1. Administration of Wales' Basic Payment Scheme**

Pillar 1 payments made to farmers through the Common Agricultural Policy are essential in terms of both farm incomes and expenditure by farmers in the wider economy.

Successive Welsh Governments have had an exemplary record in terms of issuing the vast proportion of Pillar 1 payments during the first days of the 1<sup>st</sup> December – 30<sup>th</sup> June payment window, and the timely receipt of such payments has been critical to Wales' farms and our economy as a whole.

The new Basic Payment Scheme involves greater administrative burdens for farmers and Welsh Government alike, particularly in terms of the Single Application Form (SAF) completion process currently underway, which will establish and secure Pillar 1 payments.

That administrative burden brings with it a major risk that inadvertent errors made on forms will result in losses for farmers, and a likelihood that payments will have to be made later in the payment window, thereby having significant cash-flow implications for farms and other businesses which receive such payments indirectly.

The difficulties associated with completing the SAF before the May 15<sup>th</sup> deadline may compound this situation by increasing the number of errors and appeals which delay payment processing.

The FUW believes the Welsh Government should:

- a) **In the coming weeks, reassess the benefits and risks of extending the SAF deadline based upon the numbers of forms submitted/outstanding and the experiences of stakeholders and Welsh Government staff**
- b) **Do all it can to ensure the administrative burdens associated with the BPS are minimised**
- c) **Ensure that a proportionate approach is taken to processing applications and all other aspects of the new scheme, such that penalties for those who have made errors or misinterpreted complex guidance are minimised**

## **2. Development of Wales' 2014-2020 Rural Development Programme**

Given the array of challenges facing Welsh agriculture over the coming years, not least in terms of Wales' significantly reduced Pillar 1 budget, it is essential that 2014-2020 Rural Development Programme (RDP) funds are used to improve the economic viability and resilience of Welsh agriculture.

During previous RDPs there has been an understandable emphasis on agri-environmental schemes, with agri-environment spending accounting for around 80% of the budget. This has resulted in a range of positive outcomes, while some prescriptions have had negative environmental impacts, particularly in the uplands. Such schemes have, in many cases, undermined farm efficiency, for example due to proscriptions which reduce grass cover and undermine land productivity.

Meanwhile, other elements of programmes have attracted criticism for failing to deliver value for money, with farmers particularly critical of the benefits of paying consultants as opposed to directing funds at farm investment.

The 2014-2020 RDP provides an opportunity to address such concerns by ensuring agri-environmental expenditure under the new RDP strikes a better balance between environmental and economic needs, while focussing other support on key objectives which will benefit the primary agricultural sectors.

**Over the next twelve months, the Welsh Government should**

- a) **Work to develop a programme which meets the objectives and overarching principles agreed upon by key industry stakeholders aimed at securing a profitable and progressive industry which can embrace future opportunities as a food producing nation and adapt to the challenges of reducing support and increasingly volatile in global and domestic markets**

- b) **Foster a progressive and business focussed farming sector where relevant research and development is prioritised and technology and information networks are optimised to allow a two way communication process. This should be taken forward partly through core projects funded through the RDP but also through a more focussed and streamlined Farming Connect which prioritises facilitating farmers to help themselves rather than reliance on consultancies and ‘hand-holding’**

### 3. Planning

Key industry and Welsh Government objectives, including improving the profitability, efficiency and carbon footprint of agriculture, will only be achieved through recognition that our landscape is a working environment in which changes and modernisation are necessary and natural.

As such, the needs of the industry and those who derive an income from the land, both directly and indirectly, should not be compromised by those who would see our environment preserved in aspic to the detriment of rural jobs and incomes, and the wider environment.

Legislation and policies currently being developed by Welsh Government, not least the Planning Bill and Well-being of Future Generations (Wales) Bill, could if inappropriately drafted, place additional unnecessary restrictions and burdens on agriculture and rural communities which hinder economic growth and undermine key industry and Welsh Government objectives for agriculture and the environment.

**Over the next twelve months the Welsh Government should ensure that legislation and policies which impact on planning and the planning system are developed in a way which improves the ability of farms and rural businesses to modernise and move with the times, and ensures that those in designated areas such as National Parks are not discriminated against and placed at a financial disadvantage.**

### 4. Bovine TB

Whilst welcome reductions in bovine TB incidences have been seen in Wales over recent years, the disease remains a major problem for the industry, costing vast sums to industry and government alike each year.

Government and veterinary evidence make it clear that wildlife reservoirs continue to be a major barrier to eradication, and that badger vaccination is likely to be less effective and more costly than badger culling.

Meanwhile, significant differences between cattle control policies in Wales and England continue to be a major cause for concern for Welsh farmers, particularly the lack of annual herd testing in England.

**Over the next twelve months the Welsh Government should**

- a) **Closely monitor the results of the English badger culling trials and implement any policies shown to reduce incidences of bovine TB in cattle**
- b) **Urge the English Administration to implement annual testing across England in order to improve disease monitoring**
- c) **Work with the English administration to introduce uniform and proportionate pre-movement testing measures requiring compulsory pre-movement testing for all cattle in England and Wales, with an exemption from this requirement for 60 days after a clear test for movements from high risk parishes or regions, and 180 days after a clear test for movements from low risk parishes or regions**

## **5. Proportionate approaches to maintaining and restoring agricultural land**

The stated aspirations of Welsh Government in terms of farm efficiency can be hindered by a presumption against the maintenance and restoration of agricultural parcels, in particular upland pasture.

Whilst the Farmers' Union of Wales fully supports the protection of habitats which are of national importance, there is significant concern that restrictions affect areas which are of little or no national importance or environmental value, and that such restrictions can in fact have an adverse impact on the environment.

Concerns also exist that evidence regarding the previous extent of agricultural activities over many generations, particularly in the uplands, has been underestimated, and that such misapprehensions have led to inappropriate policies which have an adverse impact on both agriculture and the environment.

**As such, over the next twelve months the Welsh Government should ensure that an appropriate and proportionate approach to the maintenance and restoration of agricultural land is taken, particularly with regard to Environmental Impact Assessments and grazing regimes, in order to complement key policy objectives relating to the viability of the industry.**

## **6. Young Entrants Support Scheme**

Early in 2013, the Welsh Government commissioned Malcolm Thomas MBE to look into the future development of the Young Entrants Support Scheme (YESS) and support in the wider sense for the next generation farming in Wales.

The report, titled "The Next Generation into Farming" and released by the Welsh Government in October 2014, made a total of 28 recommendations which received widespread support from the industry.

**Over the next twelve months, the Welsh Government should progress the recommendations of “The Next Generation into Farming” report, including by developing a Joint opportunities Platform to help create a network of information and mentoring services and help new entrants looking for a route into the industry.**

## **7. Ecosystem Services**

Payments made to farmers who provide ecosystem services through EU funded agri-environment schemes are made on an income foregone basis, with payments compensating farmers for the losses they incur through meeting scheme requirements.

The concept of rewarding farmers for the provision of ecosystem services (as opposed to compensating them for income foregone) has received significant attention from the Welsh Government during recent years. However, it is believed that too little emphasis has been placed on the full range of ecosystem services provided by the industry, including food production.

**Over the next twelve months further work should be undertaken which looks at the full range of ecosystem services provided by agriculture, and how such services might be rewarded.**

## **8. EIDCymru**

Under current Welsh Government plans, Wales’ electronic sheep movement recording and reporting system, EIDCymru, will be launched on 1<sup>st</sup> January 2016.

While the development of the system has the ability to bring numerous benefits, both directly for sheep producers and in terms of improved animal traceability for Wales as a nation, a number of barriers exist which would, unless addressed, undermine numerous potential benefits.

Examples of such barriers include the availability of broadband in rural areas, and the likelihood that those using the electronic system would have to continue to use a paper-based system in order to satisfy certain legislation.

**Over the next twelve months, the Welsh Government should work closely with stakeholders to ensure a system is developed which is fit for purpose, useable for farmers and reduces red-tape for all concerned. The Government should also seek, if necessary through negotiation with the European Commission, to remove all barriers which would undermine the value of EIDCymru, in particular that legislation which would require paper-based systems to continue to be used by those reporting movements via EIDCymru.**

## **9. Further recognition of the positive benefits of working with stakeholders**

Whilst numerous disagreements regularly occur between stakeholder bodies and Rural Payments Wales (RPW), the degree to which RPW engages with stakeholders and works with them to ensure policies, systems and approaches are as appropriate as can be agreed is exemplary, and brings with it major benefits for all concerned.

For example, the partnership approach to developing RPW Online (a system which allows farmers, agents and unions to view all individual correspondence and maps, and apply for Pillar 1 and Pillar 2 schemes) has resulted in a system which is as user-friendly as one could hope for, given the EU Regulations, and is accepted and promoted by the industry.

Such an approach demonstrates the wisdom of the partnership approach advocated in Gareth Williams' Working Smarter Report.

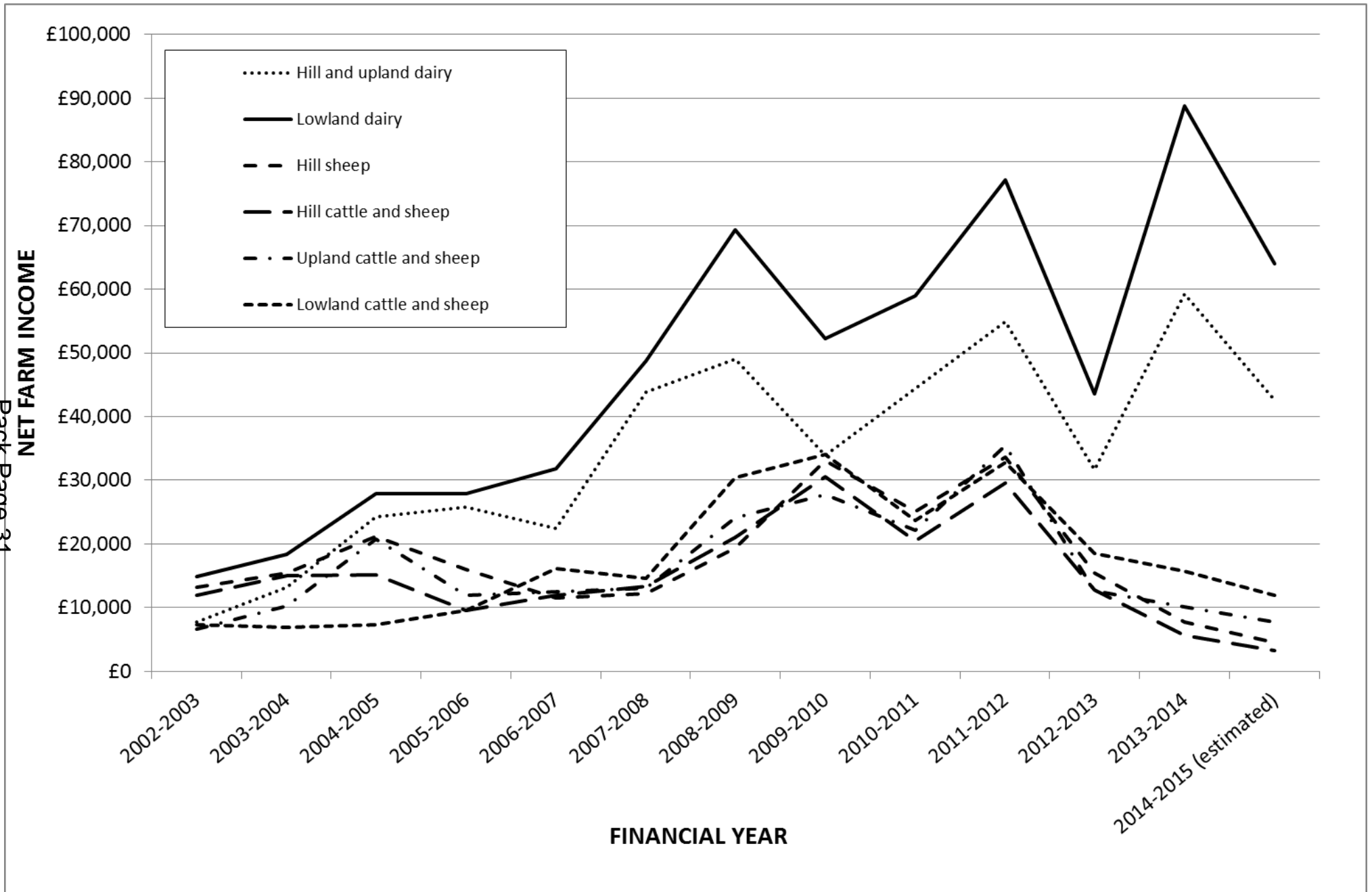
**Over the coming year, the Welsh Government should seek to ensure that all departments recognise that while differences will always exist between key stakeholder organisations and Government, significant benefits can be gained through genuine partnership.**



**APPENDIX 1**  
**NET FARM INCOMES 2002-2015**

	<b>2002-2003</b>	<b>2003-2004</b>	<b>2004-2005</b>	<b>2005-2006</b>	<b>2006-2007</b>	<b>2007-2008</b>	<b>2008-2009</b>
<b>Hill and upland dairy</b>	£7,799	£13,165	£24,221	£25,726	£22,435	£43,881	£49,065
<b>Lowland dairy</b>	£14,844	£18,350	£27,911	£27,922	£31,790	£48,728	£69,328
<b>Hill sheep</b>	£13,158	£15,445	£21,225	£15,952	£11,502	£12,185	£19,327
<b>Hill cattle and sheep</b>	£11,928	£14,971	£15,172	£9,626	£11,975	£13,280	£21,031
<b>Upland cattle and sheep</b>	£6,567	£10,293	£20,796	£11,958	£12,506	£13,068	£24,067
<b>Lowland cattle and sheep</b>	£7,353	£6,861	£7,273	£9,525	£16,202	£14,649	£30,397

	<b>2009-2010</b>	<b>2010-2011</b>	<b>2011-2012</b>	<b>2012-2013</b>	<b>2013-2014</b>	<b>2014-2015 (estimated)</b>	<b>AVERAGE</b>
<b>Hill and upland dairy</b>	£33,966	£44,407	£54,939	£31,735	£59,190	£42,617	<b>£34,857</b>
<b>Lowland dairy</b>	£52,302	£58,983	£77,196	£43,537	£88,830	£63,958	<b>£47,975</b>
<b>Hill sheep</b>	£33,121	£25,080	£33,671	£15,371	£7,676	£4,529	<b>£17,557</b>
<b>Hill cattle and sheep</b>	£30,542	£20,453	£29,584	£12,829	£5,640	£3,328	<b>£15,412</b>
<b>Upland cattle and sheep</b>	£27,784	£22,124	£35,429	£12,674	£10,172	£7,731	<b>£16,551</b>
<b>Lowland cattle and sheep</b>	£34,082	£23,696	£32,757	£18,468	£15,689	£11,924	<b>£17,606</b>

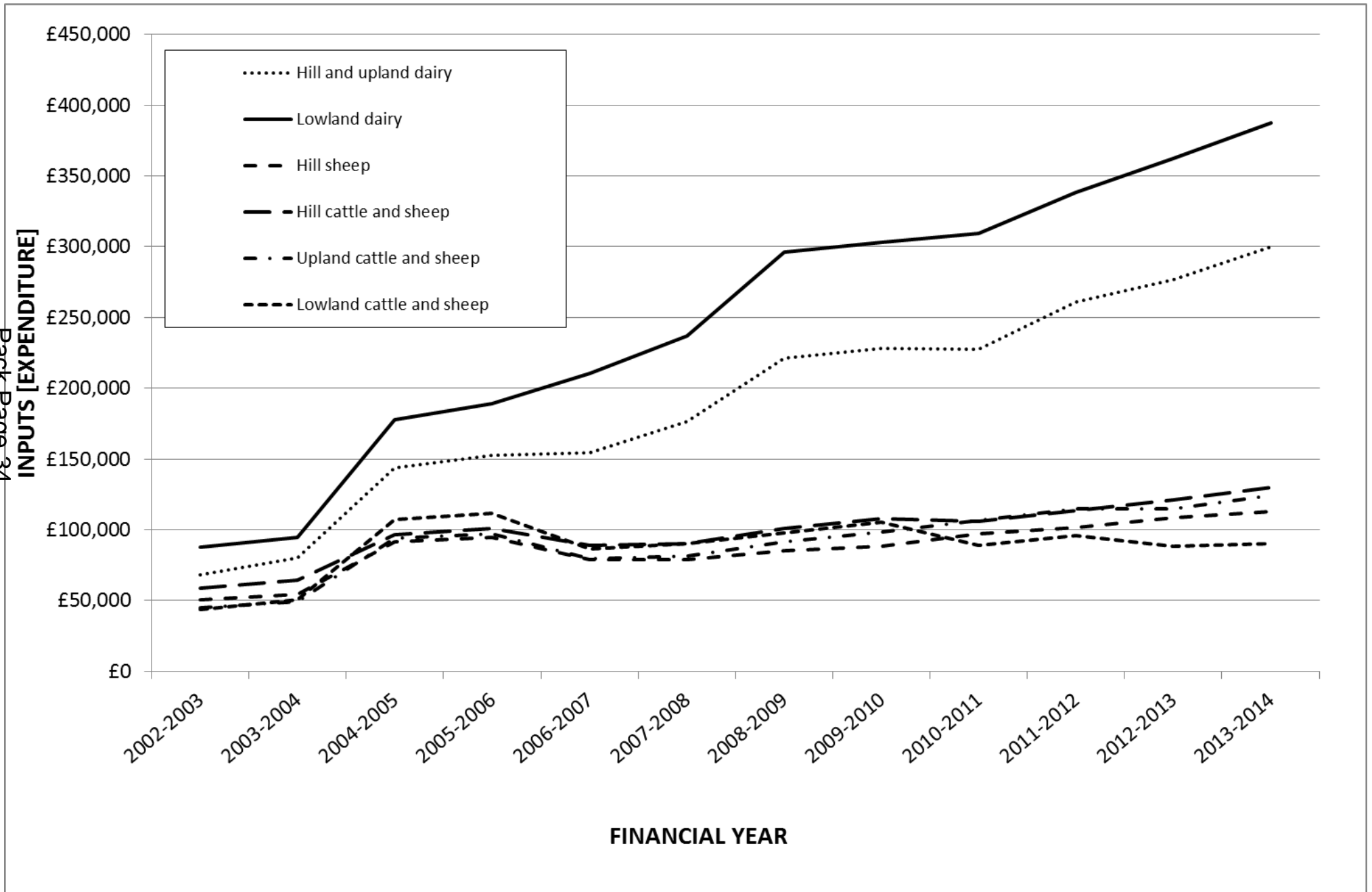


**APPENDIX 2**  
**TOTAL FARM INPUTS [EXPENDITURE] 2002-2014**

	<b>2002-2003</b>	<b>2003-2004</b>	<b>2004-2005</b>	<b>2005-2006</b>	<b>2006-2007</b>	<b>2007-2008</b>	<b>2008-2009</b>
<b>Hill and upland dairy</b>	£68,451	£80,136	£144,023	£152,406	£154,276	£176,400	£221,016
<b>Lowland dairy</b>	£87,468	£94,741	£177,863	£189,316	£210,834	£236,881	£295,967
<b>Hill sheep</b>	£50,277	£54,535	£91,466	£94,824	£79,158	£79,134	£85,110
<b>Hill cattle and sheep</b>	£58,947	£64,196	£96,796	£100,896	£89,238	£89,987	£100,659
<b>Upland cattle and sheep</b>	£44,895	£49,205	£94,272	£96,917	£79,490	£81,566	£91,781
<b>Lowland cattle and sheep</b>	£43,897	£50,569	£107,408	£111,355	£86,250	£90,207	£97,583

	<b>2009-2010</b>	<b>2010-2011</b>	<b>2011-2012</b>	<b>2012-2013</b>	<b>2013-2014</b>	<b>AVERAGE</b>
<b>Hill and upland dairy</b>	£228,177	£227,742	£261,132	£276,850	£300,256	<b>£190,905</b>
<b>Lowland dairy</b>	£303,241	£309,084	£338,309	£362,160	£387,765	<b>£249,469</b>
<b>Hill sheep</b>	£88,557	£97,183	£101,706	£108,665	£112,983	<b>£86,967</b>
<b>Hill cattle and sheep</b>	£107,748	£105,771	£113,609	£121,341	£129,933	<b>£98,260</b>
<b>Upland cattle and sheep</b>	£98,625	£106,624	£115,120	£114,686	£124,046	<b>£91,436</b>
<b>Lowland cattle and sheep</b>	£105,378	£88,706	£95,680	£88,606	£90,518	<b>£88,013</b>





*E-mail response from the Tenant Farmers Association*

These are the points which Dennis would like to raise for the Welsh government to prioritise:

- 1) County Farm initiative to be revived
- 2) FBT 10 + campaign
- 3) Simplification as mentioned in Working Smarter with the aim of amalgamating inspections
- 4) Co-ordinating planning authorities also suggested within Working Smarter
- 5) Subsidy should be amended and priority given to people in most need of it who are the hill farmers rather than people with most productive land
- 6) Extra money for hill suckler cow producers but not through Glastir
- 7) Farming should become the priority and then the environment rather than the other way around.

# Agenda Item 4



## Environment and Sustainability Committee

### Priorities for agricultural policy Issues for the next 12 months

Thank you for the opportunity to provide evidence to the Environment and Sustainability Committee's stakeholder evidence session on agricultural policy. We provide here a brief note of our recommended agricultural policy priorities for the Welsh Government over the next 12 months.

1. **Maintain the ban on GM crops in Wales.** We commend the Welsh Government on its stance against the use of genetically modified crops within its boundaries. A first priority for the Welsh Government over the next 12 months must be to maintain this approach.
2. **Secure BPS payments for all eligible Welsh farmers this year** following on from changes in the proposed regional structure and removal of the moorland rate. We welcome the current consultation exercise and will respond to it. However, it will be imperative that the Government announces the outcome as soon as possible, giving farmers the confidence to know what they will be paid through BPS and when they can expect to receive it.

**Improve the integration of organic into other sectors of agriculture.** For example the HCC Strategic Action Plan for the Red Meat Industry 2015-2020 contains no mention of organic meat production, yet there are many opportunities where increasing organic meat output could support the Plan. For example: increasing sales revenue from Welsh Red meat (see point 5 below); supporting the industry to be more resilient, sustainable and profitable (as organic livestock farm incomes have consistently outperformed similar non-organic farm incomes<sup>1</sup> and are less reliant on purchased inputs such as manufactured fertilisers); maintaining animal welfare credentials. The introduction of specific events targeted at organic systems under the Farming Connect programme would also be useful.

3. **Secure sufficient budget to grow the organic sector in Wales through Glastir Organic to 2020.** The UK market for organic food is growing<sup>2</sup> and this is an opportunity for agriculture in Wales to meet that growing demand. This growth has been particularly strong in the dairy sector. The Welsh Government can support the sector by ensuring that there is sufficient budget allocated to the Organic Measure through Glastir Organic to enable the sector to grow.
4. **Promote the green image and innovation in Welsh Agriculture** to support its marketing into UK and export markets. Other EU countries (e.g. Netherlands and Denmark) have used organic agriculture to boost food exports into a large growing market in the EU. Outside the EU, Australia has markedly increased its organic farming area for sales to China (now the 3<sup>rd</sup> largest organic market in the world). Research confirming the nutritional benefits of organic fruit and vegetables<sup>3</sup> provides a sound scientific basis for promoting organic foods. Of particular relevance to Wales will be similar studies, currently in preparation, on the nutritional benefits of organic ~~and grass fed meat and dairy~~ products. Hence there is a significant opportunity to encourage

<sup>1</sup> Organic Farm Incomes in England and Wales 2012/13. Monks, Larkin and Gerrard, April 2014. <http://orgprints.org/25016/>

<sup>2</sup> <http://www.soilassociation.org/news/newsstory/articleid/7805/organic-market-shows-improved-growth-amidst-tumbling-food-prices>

<sup>3</sup> Source Information: "Higher antioxidant concentrations and less cadmium and pesticide residues in organically-grown crops: a systematic literature review and meta-analysis." Baranski, M. et al. *British Journal of Nutrition*, July 15th 2014.



5. **Ban neonicotinoids.** The EU is due to review the 2 year moratorium on the use of three neonicotinoid pesticides, later in 2015. Confirming a total ban on the use of neonicotinoids in Wales would further these green credentials.
6. **Increase the diversity of farming in Wales.** In addition to improving marketing opportunities this would improve the industry's resilience to global market changes. A new study<sup>4</sup> has shown how grazing upland areas with cattle and sheep is better for biodiversity than grazing with sheep alone. Similarly, the Pont Bren case<sup>5</sup> is used as an exemplar of integrating trees into the agricultural landscape to benefit climate, soils and alleviate local flooding as well as providing diversity to farm businesses. The Welsh Government could prioritise the use of Pillar 2 support to increase diversity in the Welsh agricultural industry.
7. **Remove the 3 hectare minimum claim area for Glastir Organic.** This limits the uptake of the horticultural organic payment. Small scale organic horticultural production needs the benefit of this payment in Wales to put it on an equal footing with organic market gardeners elsewhere in the UK. This would also contribute to increasing diversity within the industry.
8. **Increase the uptake of Catering Mark (Food for Life) in Wales.** The Catering Mark is a system which rewards establishments for improving the provision of freshly prepared quality meals using locally sourced ingredients. The inclusion of organic ingredients is only required at the Silver and Gold levels (at 5 and 15% respectively of total food spend). Uptake of the Catering Mark in Wales compares unfavourable with Scotland, where the Scottish Government provides financial support. In Scotland more than 100,000 catering mark meals are served every day (16 150 at silver and gold), whilst in Wales there are only 14 233 catering mark meals per day (440 at silver and gold). Uptake in Welsh schools is particularly poor, with only 71 schools in Flintshire actively involved, whilst no school meals in Wales achieve the Silver or Gold standards.

We would encourage the Welsh Government to consider how it can support the catering mark (particularly at the higher silver and gold levels) in Wales to promote local, sustainable production of food and help build the organic market. This could include promoting the Catering Mark at Welsh Government sites or providing financial support to the Food for Life work in Wales (as happens in Scotland).

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16<sup>th</sup> April 2015

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<sup>4</sup> <http://www.hutton.ac.uk/news/ten-year-experiment-identifies-optimum-upland-farming-system>

<sup>5</sup> <http://www.coedcymru.org.uk/images/user/5472%20Pontbren%20CS%20v12.pdf>



**Environment and Sustainability Committee's evidence session on which agricultural issues Welsh Government should prioritise over the next twelve months.**

Approximately 80% of Wales is farmed, however it is widely recognised that land management must deliver significantly more than just food e.g. environmental goods and services, a countryside in which nature can thrive, landscapes that are enjoyed by people and support tourism and recreation industries. RSPB Cymru believes that the *Strategy* is the ideal opportunity to reevaluate the *purpose* of farming and bring agriculture into Welsh Government's developing National Natural Resource Management Framework to ensure that farming supports the delivery of environmental targets as well as food production.

We welcome the opportunity to participate in this evidence session and believe that The Welsh Government should prioritise the following issues over the coming 12 months:

1. **Fully implement the recommendations of the Glastir Evaluation Panel**, which was established in October 2014 in order to provide an independent evaluation of Glastir Advanced. Many of the panel's recommendations are broadly similar to those of RSPB Cymru and other environmental NGOs who have been calling for:
  - Welsh Government to work with the conservation NGOs to refine the target maps for habitats and species to ensure that the appropriate action is targeted in the right places to benefit nature.
  - The scheme to become an effective means of securing all of the required management for objectives. For wildlife this means securing enough habitats, in the appropriate condition, location and combination at the right times of the year i.e. providing the full ecological requirements for nature.
  - Cooperative action between agreement holders to enable the delivery of the wider landscape-scale approach. It is particularly important for species as many have quite complex habitat requirements that cannot be secured within individual farm boundaries. This approach is also essential to secure water benefits through catchment scale management.
  - Those providing advice and guidance to farmers to be equipped with the knowledge and skills to do so and for farmers to receive on going support once they are in the scheme.
  - Scheme documentation (maps and agreements) needs to be improved. In their current format they are overly complex, lack clarity and risk acting as a barrier to effective delivery.

The Glastir Evaluation Report including Welsh Government's response is yet to be published; this must be addressed as a matter of urgency.

2. Changes to the Basic Payment Scheme (BPS) must not reduce Welsh Government's ability or ambition to **use the RDP to meet its environmental/biodiversity obligations by 2020**. Amendments to Pillar 1 payments will almost certainly result in increased support for upland farmers, however these payments will not guarantee the increase in environmentally beneficial land management required by Welsh Government to meet its environmental commitments, including halting the declines of farmland wildlife and getting protected sites in good condition. This can only be achieved, at the scale required, through the targeted use of Pillar 2 funds via schemes such as Glastir. The current uncertainty associated with CAP payments highlights the need for Welsh Government to **establish clear targets for Glastir regarding the extent of change that it is expected to**

**achieve**, including its contribution towards biodiversity targets. This will then inform decisions regarding how much RDP money is required to meet commitments and where in Wales it must be spent. This recommendation is also made in the Auditor General for Wales Report on Glastir (September 2014) and in observations made by the EU on Wales' draft RDP.

3. The EU's observation letter on the [Welsh] Rural Development Programme 2014 – 2020 highlights the need for the **RDP to be more closely aligned with environmental strategies**, including biodiversity. In particular the EU made it clear that woodland management must benefit nature and requested that "Welsh Government provide more detail on how the Forestry Management Plans will contribute to fulfilling the targets of the biodiversity strategy". The lack of effective action for priority woodland biodiversity *via* Glastir has been an ongoing concern for the conservation NGOs. Having been involved in the initial development of the Woodland Management element, as a collective we are extremely worried by the apparent lack of progress towards completing the design and delivery of what could be a good woodland management scheme for nature. Given the importance of Welsh woodlands, many of which are designated for the national and internationally important habitats and species they support Welsh Government must **prioritise the establishment of a Woodland Management Scheme that is an effective means of securing conservation benefits for priority woodland habitats and species**. RSPB Cymru is concerned that reduced capacity within Welsh Government may be a contributory factor to why the scheme design is yet to be completed to the required standard; if this proves to be the case Welsh Government must move to address this.
  
4. The **Agriculture Strategy** is the first test of Welsh Government's ability to (a) deliver integrated land management policy following passing of the Future Generations Bill and (b) apply the principles of Natural Resource Management (NRM) to a strategy that will directly impact 80% of the land (natural resources) in Wales. As such the *Strategy* must:
  - be fully aligned with the principles of Sustainable Development and The Welsh Government's developing National Natural Resource Management Policy framework,
  - protect and enhance soils, water, habitats and species to enable Welsh Government to meet its EU targets,
  - promote the sustainable production of adequate amounts of high quality food based on the highest environmental and animal welfare standards.
  - support HNV farming systems as required by Europe and essential if Wales is to achieve environmental targets and secure wider societal benefits
  
5. Welsh Government has an obligation to **identify, maintain and monitor High Nature Value (HNV) farming systems**, which are typically extensive farms, often found in the uplands. HNV farms are usually the most financially vulnerable as they are unable to compete with more intensive farming sectors, however they are highly important for the priority species and habitats they support and the wider environmental benefits (carbon and water) that they secure for society. For Welsh Government to achieve its commitments to HNV farming RSPB Cymru recommends that:
  - the definition of HNV, currently being developed by the Centre for Ecology and Hydrology (CEH) as part of the Glastir and Evaluation and Monitoring Programme (GMEP) must incorporate important habitats and species. The current proposal is based on habitats alone, and
  - the identity, distribution and wider importance of HNV farming need to be better understood within Welsh Government so that future policies reflect the wider value of these farming systems and help to maintain and support them in continuing to secure multiple environmental benefits for society, provide nature with places to thrive as well as producing quality food.

*Arfon Williams*  
*RSPB Cymru*

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## Written evidence on agricultural policy to the National Assembly for Wales Environment and Sustainability Committee

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Organic Centre Wales 17 April 2015

### About Organic Centre Wales

Based at Aberystwyth University, the Organic Centre Wales (OCW) was established in 2000 as a focal point for the dissemination of information on organic food and farming to producers and other interested parties in Wales. It has since extended its focus to public education, public procurement, policy and strategy development, thus providing support to the whole of the organic community in Wales.

OCW is run by a partnership of three organisations actively involved in organic farming research and knowledge transfer in Wales: ADAS, The Organic Research Centre Elm Farm and Institute of Biological, Environmental and Rural Sciences at Aberystwyth University. OCW core staff are responsible for the co-ordination of the different areas of activity, with the partners responsible for much of the delivery of services to producers and others.

OCW funding comes from the Welsh Government (WG) together with funds from the European Union EAFRD which provides the Better Organic Business Links Supply Chain Efficiencies project for the organic sector.

Organic Centre Wales welcomes the opportunity to submit evidence to the Environment and Sustainability Committee and to present oral evidence in the Senedd

### Introduction

This evidence identifies the seven areas of agricultural policy we consider priorities for the organic sector in Wales. We have drawn on:

- Stakeholder workshops to identify priorities and future direction for the organic sector in Wales
- Ongoing dialogue with organic food and farming businesses in Wales as part of the Better Organic Business Links Project
- Our experience advising the Welsh Government on organic policy development over the last 15 years.



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## Priorities

### *A clear policy framework for organic production and marketing in Wales*

We welcome the new Glastir Organic Scheme, which provides financial support to organic producers and those in conversion in recognition of the environmental benefits that organic systems deliver. However we would welcome a more strategic approach backed by a new Organic Action Plan to:

- Set a clear vision and direction for the organic sector in Wales
- Identify clear priorities and actions
- Make links between Glastir Organic and wider food, environment and other policies, agendas and strategies including: the Welsh Government Rural Development Plan 2014 – 2020; Action Plan for the Food and Drink Industry 2014-2020; HCC Strategic action plan; sustainable production, healthy living and poverty alleviation
- Establish a clear structure for the implementation of the plan, for example reinstating the role of an organic sector manager in the Welsh Government
- Assist farmers in adapting to any changes to the EU organic regulations currently in negotiation, as well as to take advantage of new opportunities such as group certification for small producers.

### *Grow and develop the market for organic products from Wales*

In a policy context the organic market will leverage investment in good husbandry/environmental delivery. It is not a policy goal its own right but is absolutely central to the success and growth of the sector and therefore the attainment of policy goals. Key priorities are:

- Continued support for a public information campaign on the benefits of organic food and farming
- A special emphasis on the beef/sheep sector, including more active promotion of organic red meat by HCC.
- Diversification of the markets, and the routes to market for organic products, including: Export markets, independent retailers, internet sales and direct marketing
- A public procurement policy that places a strong emphasis on sustainable and ethical production systems, including and especially organic, which contribute to meeting the sustainable procurement goals of the Welsh Government. It should build on the success of the Food for Life Catering Mark, to which many Welsh Institutions including Flintshire CC school meals services, most of our universities and the National Assembly of Wales have already committed. The Mark offers Bronze, Silver



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and Gold level accreditation to establish a pathway that encourages procurement of increasing proportions of ingredients that are produced organically, ethically and locally.

### *Development of Wales' infrastructure in the context of food and farming businesses*

- Addressing the lack of value-adding processing facilities in Wales. The availability of local, organically certified registered slaughtering, cutting and packing facilities is a major barrier to the development of red meat and poultry enterprises and a significant barrier to the diversification of markets as described above. Poor transport infrastructure and a scaling up/ centralising of processing facilities are significant reasons for this.

### *Support programmes for organic producers and supply chain businesses*

- The continuation of support structures and programmes such as Organic Centre Wales and Farming Connect are essential if the aims outlined in this submission are to be achieved.
- While Farming Connect has significantly benefited organic producers, the reintroduction of a programme/ strand that addresses the specific needs of organic farmers is a priority
- Support to organic supply chain businesses, currently provided through the Better Organic Business Links project, should be continued.

### *A strong research and development programme*

- There are significant opportunities to support R&D programmes, particularly through Horizon 2020 and EIP groups
- The active participation of producers at every stage of the R&D cycle will ensure the allocation of scarce resources is prioritised effectively. Businesses that are actively involved in the process will be well placed to identify commercial opportunities and work with partners to fund the research and development required to bring products to market. Key areas include
  - Increasing efficiency of organic production systems
  - Enhancing the environmental benefits that organic systems deliver
  - Enhancing the delivery of eco-systems services
  - Identifying the potential contribution of Agro-ecological approaches to sustainability and food security





- Increased emphasis on mixed farming systems and the benefits for agricultural diversification, production system and financial resilience, nutrient cycling and resource use efficiency.

### *Supporting small producers*

- The contribution of small producers, typically but not exclusively mixed production systems including horticulture and poultry, is not fully recognized at present. Although small in physical area, many run significant businesses (a 3Ha market garden can turnover at least as much as a 100 Ha upland farm). They deliver many of the Welsh Government's key objectives; reduced reliance on subsidies, sustainable production, crop diversification, rural employment and increased value added through direct sales.
- The criteria used to exclude those for whom agriculture is not a significant part of their livelihoods from receiving subsidies need to change from physical size of the holding to alternative measures such as turnover. This approach is being proposed in the draft EU Regulation, although the current proposal to restrict size to a maximum of €15,000 per annum turnover may be too restrictive, and €25,000 pa may be more realistic

### *Strengthening links between food producers and communities*

- Reconnecting farmers and growers with communities has many advantages including:
  - Public understanding of food and farming
  - Supporting the delivery of the Welsh Government Foundation Phase of the statutory curriculum for 3 to 7 year olds.
  - Supporting growing in schools and colleges.
  - Supporting short supply chains between primary producers and customers.
  - Improving the resilience of farmers and growers through direct sales.
  - Developing local food systems and entrepreneurial activity
  - Social cohesion
  - Healthy and outdoor activity
  - Improved understanding of the need for public support for food producers
- This can be achieved through a range of actions including:
  - Promoting Community Supported Agriculture
  - Involving producers in community growing/ allotment projects
  - Funding school visits to farms
  - Reviewing school education on food and farming

1. Redistribution of Single Farm Payment to non-food producing Upland area, 50 % of Wales is producing 5 % of food.
2. There is a positive side of organic dairying that has a large export potential if supported in the right way. Rachels brand is successful across the world and both OMSCO and Caws Cenarth have started exporting branded products to the USA. Calon Wen are trying hard to brand products but are particularly frustrated with the lack of processing facility, they are sending milk to Lancashire for processing. There would appear to be a gap in the market between smaller farm processing their own supply and medium sized volume.  
Finally we cannot afford to see a further 'drifting away' from Organics as we will lose critical volume and this will have associated problems
3. Targeted Glastir mapping to areas that have been scoped by wildlife and environmental projects thus not allowing any existing habitats or new environmental projects to be used as evidence for Glastir Advanced. Farmers are not able to follow the mapping system accurately
4. Tunnelling on Single Farm Payment should be extended for at least 7 -10 years thus minimising the redistribution for as possible
5. HCC needs to release organic levy to draw down 80% of funding from EU for specific Organic marketing fund with the help from Welsh Government.
6. Farmers should have a much greater say on how RDP budgets are spent. NGO winning the lion share in the Nature Fund whilst farmer groups were marginalised
7. Payment for Eco services needs to limit the costs of project Officers and Ecologists to allow greater funds for infrastructure and only 10% administration as is recognised in any charitable organisation.
8. To support and promote the consumption of quality Welsh organic food. E.g. by adoption of Catering Mark standards within work and educational establishments within the Principality
9. RDP infrastructure grants needs to prioritise fertility, liming and reseedling, stock handling systems and electronic weighing – rather than new machinery and sheds. Personal Development training should be encouraged.
10. Diversification and tourism are becoming increasingly important for sustaining the family farm
11. Work with IBERS to allow upscaling of new innovation. i.e. red clover high sugar grass producing a kg of lamb 20% more efficiently thus reducing the carbon footprint, and should be marketed as carbon friendly lamb. Sure root project where they have done trials on Fescue grasses provided up to 50 % less rain run off thus minimising the flooding impact on major rivers in high rain fall areas, we should be encouraged to create buffer zones at the bottoms of fields when reseedling. This will be significantly cheaper than concrete wall defences on the lower reaches
12. Farmers are being encouraged to cut down trees if they are more than 100 / acer to qualify for SFP other EU countries have challenged this ruling Wales.



**KARMENU VELLA**

Member of the European Commission

# Agenda Item 5.1

Brussels, **23 MARS 2015**  
Ref. Ares(2015)1269032

Alun Ffred Jones AM  
Chair of the Environment & Sustainability Committee  
National Assembly for Wales  
Cardiff Bay  
Cardiff CF99 1NA  
United Kingdom

Dear Mr Jones,

Thank you for sharing the views of the Environment and Sustainability Committee of the National Assembly for Wales on the Commission's proposal for a prohibition of driftnets. I am particularly grateful for the support expressed for the action to address large-scale, illegal and environmentally damaging driftnets.

Let me stress that during the preparation phase of this proposal particular attention was paid to the quality and scope of the impact assessment. A wide public consultation took place, complemented by a number of studies and analyses. Despite our efforts, not all stakeholders were able to provide, at that time, detailed information about the use of driftnets and their impact on protected species. This may have prevented the Commission from having an inclusive picture of the situation, including in the UK and more particularly in Wales.

Therefore, further information has been sought by the Commission in an additional effort to offer a more comprehensive view of the likely consequences of a total ban.

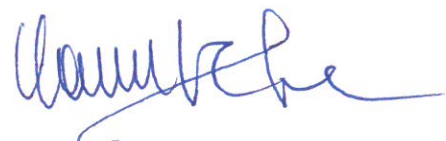
I would like to thank you for having transmitted information related to the possible impacts of the Commission's proposal on the small-scale fishing activities taking place in Wales. We have also received detailed clarifications from the UK government.

Since the proposal is currently before the European Council and Parliament, it will be up to both institutions to work on the final text of the Regulation. The Commission intends to facilitate the debates and to put at the disposal of the co-legislators all necessary elements for such a process, including this additional information on the use of driftnets in Wales.

To this end I have transmitted your letter to my services, including the comments on the draft report that is being discussed in the European Parliament's Fisheries Committee and your suggestions on possible further modifications. The relevant information contained therein will be considered to contribute to the inter-institutional debate and negotiations on the final outcome of the Commission proposal.

Discussions of the proposal by the co-legislators, the European Parliament and the Council, will surely allow for further consideration of the concerns regarding potential specific impacts of the legislation on driftnets.

Yours sincerely,





# Agenda Item 5.2

Carl Sargeant AC / AM  
Y Gweinidog Cyfoeth Naturiol  
Minister for Natural Resources



Llywodraeth Cymru  
Welsh Government

Ein cyf/Our ref: SF/CS/0454/15

Alun Ffred Jones AM  
Chair  
Environment and Sustainability Committee

19 April 2015

Dear Alun Ffred,

Further to the e-mail from the Committee Clerk of 31 March, I am pleased to provide a response to the action points raised during my recent appearance before the Committee.

***To provide the Committee with a profile of the projected savings resulting from the creation of Natural Resources Wales (NRW)***

The Welsh Government Business Case to establish NRW identified the delivery of total savings of £158m over 10 years. These benefits included cash realisable benefits (£127m), non-cash realisable benefits, as well as a range of qualitative benefits.

During 2013 it became necessary to revise the profile of the original cash releasing savings target due to changes to the arrangements for access to parent organisation legacy systems which brought forward spend into the programme budget at the first two years of NRW's operation. The revised profile is closely comparable to those estimated in the original business case and I am pleased to say that NRW is still on target to achieve this level of savings over the ten year period.

The table below details the original business case and the revised cash realisable benefits.

<b>Summary of Business Case Benefits (all figures in £m)</b>						
Cash benefits						
	2013/14	2014/15	2015/16	2016/17	2017/18	10 yr total
Gross Savings Business Case	6.295	9.299	12.389	14.118	14.232	127.494
Revised Gross Savings	-2.721	7.679	12.976	13.879	14.734	127.150
<b>Net Updated figures</b>	<b>-19.305</b>	<b>-8.521</b>	<b>6.376</b>	<b>12.279</b>	<b>12.134</b>	<b>61.125</b>

***To update the Committee on whether the £3.9 million allocated to the Nature Fund in 2014-15 will be spent***

The funding allocation for the Nature Fund was fully committed in 2014-15.

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***To provide a note on the role that stakeholders have played in developing the Wales data hub***

External stakeholder engagement is a rolling process. The launch of 'Wales: Our Environment' at the Royal Welsh Show was a demonstration of the nature and infrastructure of the hub and invited feedback from all visitors to the site. The feedback received has been reviewed, acknowledged and incorporated into the future development of the Hub as appropriate.

Specific engagement with established data holders and users such as NRW, National Biodiversity Network, Welsh Local Record Centres, UK Earth Observation Data Advisory Group, British Geological Society, Welsh Biodiversity Partnership and Dwr Cymru has guided and influenced the development of Information Hub to date. Stakeholders are keen to work with the Welsh Government to utilise the infrastructure to publish their own environmental data for public use. This provides opportunities to work collaboratively with stakeholders to make previously unpublished data accessible, avoiding duplication of effort and resources by utilising the Welsh Government's infrastructure.

In addition, our Marine Planning Portal is a specific web application that utilises the infrastructure that powers 'Wales: Our Environment' and represents the marine mapping component of the data hub. The portal makes available data from a wide range of sources that shows the status of and human use of Welsh seas. A wide range of organisations have contributed data to the portal including NRW, the Joint Nature Conservation Committee, the Crown Estate and the Centre for Environment, Fisheries and Aquaculture Science.

The establishment of Governance structures for the Information Hub will include stakeholder representation from a range of stakeholder groups.

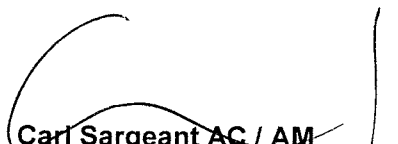
***Supplementary budget***

During the meeting the Committee also queried the new location of the "Meeting the needs of rural communities and rural proofing WAG actions" budget line.

An essential part of the budget process is to realign budgets where necessary to improve on management, reporting and transparency. As part of this process and during the Supplementary Budget process in January, it was decided that two budgets totalling £2.305m from within the "Meeting the needs of rural communities and rural proofing WAG actions" Budget Action be re-aligned to the "Develop and deliver overarching policy and programmes on Agriculture, Food and Marine" Budget Action. The budgets which were realigned were for New Farm Entrants at £1.705m and Local Authority Enforcement Funding at £0.600m. These changes, alongside a number of other re-alignments, has meant that you now have a much better streamlined and informative budget structure.

I trust that I have addressed the Committee's queries in full.

Yours sincerely,

  
**Carl Sargeant AC / AM**  
Y Gweinidog Cyfoeth Naturiol  
Minister for Natural Resources

# Agenda Item 7

Document is Restricted