



**Cynulliad Cenedlaethol Cymru
The National Assembly for Wales**

**Yr Is-bwyllgor Datblygu Gwledig
The Rural Development Sub-committee**

**Dydd Iau, 27 Tachwedd 2008
Thursday, 27 November 2008**

Cynnwys
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Cofnodir y trafodion hyn yn yr iaith y llefarwyd hwy ynndi yn y pwyllgor. Yn ogystal, cynhwysir cyfieithiad Saesneg o gyfraniadau yn y Gymraeg. Mae hon yn fersiwn ddrafft o'r cofnod. Cyhoeddir fersiwn derfynol ymhen pum diwrnod gwaith.

These proceedings are reported in the language in which they were spoken in the committee. In addition, an English translation of Welsh speeches is included. This is a draft version of the record. The final version will be published within five working days.

Aelodau'r pwyllgor yn bresennol
Committee members in attendance

Mick Bates	Democratiaid Rhyddfrydol Cymru Welsh Liberal Democrats
Alun Davies	Llafur (Cadeirydd yr Is-bwyllgor) Labour (Sub-committee Chair)
Darren Millar	Ceidwadwyr Cymreig (yn dirprwyo ar ran Brynle Williams) Welsh Conservatives (substitute for Brynle Williams)
Rhodri Glyn Thomas	Plaid Cymru The Party of Wales

Eraill yn bresennol
Others in attendance

Jeff Davies	Y Gymdeithas Frenhinol er Gwarchod Adar The Royal Society for the Protection of Birds
Iwan Huws	Yr Ymddiriedolaeth Genedlaethol The National Trust
Katie-Jo Luxton	Y Gymdeithas Frenhinol er Gwarchod Adar The Royal Society for the Protection of Birds
Hannah Pitt	Yr Ymddiriedolaeth Genedlaethol The National Trust

Swyddogion Gwasanaeth Seneddol y Cynulliad yn bresennol
Assembly Parliamentary Service officials in attendance

Claire Morris	Clerc Clerk
Meriel Singleton	Dirprwy Glerc Deputy Clerk

Dechreuodd y cyfarfod am 10.48 a.m.
The meeting began at 10.48 a.m.

Cyflwyniad, Ymddiheuriadau a Dirprwyon
Introduction, Apologies and Substitutions

[1] **Alun Davies:** Galwaf y pwyllgor i drefn. Y bore yma, byddwn yn parhau â'n hymchwiliad i echel 2 y cynllun datblygu gwledig. Nid wyf am fynd drwy'r datganiadau arferol, ond mae offer cyfieithu ar gael. Yr ydym wedi derbyn ymddiheuriadau oddi wrth Brynle Williams; mae Darren Millar yn cymryd ei le yn y cyfarfod hwn.

Alun Davies: I call the committee to order. This morning, we will continue with our inquiry into axis 2 of the rural development plan. I will not go through the usual announcements, but simultaneous translation equipment is available. We have received apologies from Brynle Williams; Darren Millar is substituting for him in this meeting.

Ymchwiliad i Echel 2 y Cynllun Datblygu Gwledig: Sesiwn Dystiolaeth
Inquiry into Axis 2 of the Rural Development Plan: Evidence Session

[2] **Alun Davies:** Croesawaf ymddiriedolaeth **Alun Davies:** I welcome the representatives of the National Trust, Iwan Huws and

Genedlaethol, Iwan Huws a Hannah Pitt, i'r cyfarfod. A oes unrhyw sylwadau agoriadol yr hoffech eu gwneud? Cymerwch yn ganiataol bod Aelodau wedi cael cyfle i ddarllen eich tystiolaeth ysgrifenedig. Bydd ganddynt gwestiynau ar y dystiolaeth honno, ond a oes unrhyw sylwadau agoriadol yr hoffech eu gwneud cyn inni ddechrau holi cwestiynau?

Hannah Pitt, to the meeting. Would you like to make any opening remarks? Please take for granted that Members have had an opportunity to read your written evidence. They will have questions on that evidence, but would you like to make any opening remarks before we ask those questions?

[3] **Mr Huws:** Yr ydym yn falch i fod gyda chi'r bore yma ar ran yr Ymddiriedolaeth Genedlaethol. Yr ydym yn dod at y drafodaeth hon fel y tirlfeddiannwr preifat mwyaf yng Nghymru, a'r ail yn gyffredinol, ar ôl Llywodraeth y Cynulliad, oherwydd bod Llywodraeth y Cynulliad yn gyfrifol am goedwigaeth. Felly, gallwn siarad ar ran tua 200 o denantiaid ar draws Cymru. Yr ydym hefyd yn rhedeg dwy fferm ein hunain, Hafod y Llan, ar yr Wyddfa, a Llannerch Aeron.

Mr Huws: We are pleased to join you this morning on behalf of the National Trust. We approach this discussion as the largest private landowner in Wales, and the second overall, after the Assembly Government, because the Assembly Government is responsible for forestry. So, we can speak on behalf of approximately 200 tenants across Wales. We also run two farms of our own, Hafod y Llan, on Snowdon, and Llannerch Aeron.

10.50 a.m.

[4] The National Trust welcomes the review of axis 2. We see it as an important opportunity to promote sustainable land management in Wales, and we see these schemes as a vital tool to reward land managers for the benefits that they provide to society. The basic premise should be that land managers who provide and protect environmental resources should be financially rewarded, as the market does not adequately provide such rewards at present.

[5] We have farm and countryside advisers and others who work with our tenants, many of whom participate in agri-environment schemes. So, our response to this consultation will be informed by our direct experience of the schemes and also by our wider conservation objectives to protect places of natural and historic significance for the benefit of the Welsh nation.

[6] There seems to be little disagreement that current axis 2 schemes do not address the full range of objectives that land management can deliver, nor are they tailored to meet the needs of the Wales environment strategy. That is not to say that the schemes have not been beneficial; they have certainly delivered results for biodiversity and for the historic environment. Unfortunately, the lack of adequate monitoring means that we currently have to rely largely on anecdotal evidence to confirm this. So, we welcome the move to make monitoring an essential component of future schemes. We also welcome Cadw's work in developing baseline information on the rural historic environment.

[7] On the review proposals, we support the high-level outcomes. We are delighted to see that heritage management will continue to be a priority, and recognise that some form of capital grant for this area of work is essential. We also welcome moves to use land management to help society prepare for and adapt to climate change. In particular, we have been keen to see that the role of land management in reducing flood risk is fully utilised. We are concerned that action for biodiversity is being heavily focused on designated sites. We support efforts to bring designated sites into favourable condition and we are committed to playing our part in meeting the targets. However, land management schemes are the best. You

might even say that it is the only tool available to make the wider countryside more wildlife-friendly, but it seems that there will be little opportunity to use them in this way.

[8] Of the options presented, each has its merits but none is ideal. However, we believe that option 2 is the best one to take forward and presents the best basis for developing the detailed scheme design. It is relatively simple, it has similarities to the current agri-environment pyramid, it offers the potential to address a wide range of environmental objectives and to target priorities in a particular location. The caveat to this is that an effective transition will need to be carefully planned and operated. Advice, training and guidance will be necessary for farmers. A change in schemes and payment systems will be difficult, of course, for those on the receiving and giving side of the equation. However, we believe that the end result of achieving a more effective forward-looking set of schemes is worth it. There is no reason to expect that the schemes will need to be changed again for the foreseeable future.

[9] Finally, it was clear when the stakeholder group first met to discuss this review, that expectations for these schemes are high. It is possible to draw up a lengthy list of things that we would like to consider and deliver through axis 2. It is not a bottomless pot of money and we well know, from seeing the limited number of Tir Gofal agreements, which have been funded in recent years, that it should not be the only pot of money. We have to think smarter about other sources of investment that land managers can tap into. They provide benefits to society and should be rewarded for doing so. Farms in upland areas are particularly rich in the environmental services that they offer to society, and they, perhaps, stand to benefit most if new investment can be accessed in this way. Land managers will be more willing to accept changes to current schemes if they can see that there are opportunities. In conclusion, there is still some way to go before we have the new axis 2 that we would like and believe is necessary, but the right course seems to have been set.

[10] **Alun Davies:** Diolch am eich cyflwyniad. Yr ydym yn ei werthfawrogi. Dywedasoch fod y cyfeiriad polisi yn un y byddech yn cytuno ag ef. A yw hynny'n golygu eich bod yn gweld bod y cyfeiriad y mae Llywodraeth y Cynulliad yn symud iddo ar hyn o bryd yn mynd i'w galluogi i gyrraedd ei thargedau a'i huchelgeisiau, megis y rhai yn ei strategaeth amgylcheddol ar gyfer Cymru, ac yn ei strategaethau ar bioamrywiaeth, newid hinsawdd a rheoli dŵr? A gredwch bod y cyfeiriad polisi presennol yn mynd i alluogi'r Llywodraeth i gyrraedd y targedau hynny?

Alun Davies: Thank you for your presentation. We appreciate it. You said that the policy direction is one that you would agree with. Does that mean that you believe that the direction in which the Assembly Government is currently moving will enable it to meet its targets and ambitions, such as those in the environment strategy for Wales, and in its biodiversity, climate change and water management strategies? Do you think that the current policy direction enables the Government to meet those targets?

[11] **Mr Huws:** Yn sylfaenol, yr hyn yr ydym yn ei drafod gyda'r adolygiad hwn yw cynlluniau amaeth-amgylcheddol. Deallwn, wrth gwrs, bod y polisiâu yn y strategaeth amgylcheddol yn ymdrin â materion mawr y dydd, megis newid hinsawdd. Ar lefel arall, mae materion ynghylch gwarchod tirlun a bioamrywiaeth, materion carbon, llifogydd, ac ati, a'r cwestiwn yw sut yr ydym yn mynd i ymdrin â'r materion hynny, yn ogystal â materion amaeth-amgylcheddol. Efallai fod

Mr Huws: Fundamentally, what we are discussing with this review is the agri-environment schemes. We understand, of course, that the policies in the environment strategy deal with major issues of the day, such as climate change. On another level, there are matters regarding landscape and biodiversity conservation, carbon issues, flooding, and so on, and the question is how we are going to deal with those matters, in addition to dealing with the agri-environment

talun ffermwyr i ddelio â'r materion hynny yn un ateb. Felly, i ateb eich cwestiwn, Alun, mae targedau uchelgeisiol y Llywodraeth yn mynd ran o'r ffordd, ond mae'n debyg bod angen newid diwylliant yn y byd amaethyddol i fynd mor bell â'r targedau hynny.

[12] **Alun Davies:** Cytunaf â'ch ymateb. Yr ydym, yn ystod y sesiwn blaenorol, wedi clywed llawer iawn o bobl yn sôn am newid diwylliant yn y diwydiant amaethyddol. A ydych chi'n meddwl bod y Llywodraeth yn symud i'r cyfeiriad iawn i alluogi hynny i ddigwydd?

[13] **Mr Huws:** Credaf ei fod yn uchelgeisiol. Mae polisiâu Llywodraeth Cynulliad Cymru yn bolisiâu da, ac mae gan strategaeth amgylcheddol ar gyfer Cymru lawer o dargedau ynddi. Mae'n debyg eich bod wedi cael trafodaethau gyda rhai cyrff sy'n teimlo bod targedu adnoddau yn un ateb. Yn sicr, mae'n un ateb i ddelio â'r targedau yn y strategaeth amgylcheddol ar gyfer Cymru, oherwydd, os ydych wedi gosod y targedau hynny, yna yr ydych yn mynd i roi adnoddau tuag atynt. Yr ydym yn lwcus—neu, yn dibynnu ar eich barn, yn anlwcus—oherwydd bod 80 y cant o Gymru yn ardal llai ffafriol. Felly, gallwch ddweud mai dyna yw'r targed, neu gallwch edrych ar nifer y safleoedd o ddiddordeb gwyddonol arbennig sydd yn ucheldir Cymru ac ati. Yr ydym yn credu bod yr angen i dargedu arian amaeth-amgylcheddol ar draws Cymru yn parhau, neu bydd rhai yn colli allan. Mae'r polisiâu yn dda, yn bositif ac yn uchelgeisiol, ac mae eu gweithredu drwy gynlluniau amaeth-amgylcheddol yn un ffordd o gyrraedd y nod.

[14] **Mick Bates:** Thank you for your paper and for the way that the trust is run in general—as a member, I must say that.

[15] **Mr Huws:** I think that I recruited you, Mick.

[16] **Mick Bates:** Yes, you did; I was your first recruit.

[17] We have a range of agri-environment schemes that have been in existence for some years. What do you think are the strengths of the existing schemes and what elements of them would you keep, whatever option is taken up?

11.00 a.m.

[18] **Mr Huws:** I will start and then I will bring Hannah Pitt in. When I was working for

matters. Perhaps paying farmers to deal with those matters is one answer. Therefore, to answer your question, Alun, the Government's ambitious targets go part of the way, but it is likely that there is a need for a cultural change in the agricultural world in order to go as far as those targets.

Alun Davies: I agree with your response. In the previous session, we heard many people talking about changing the culture in the agricultural industry. Do you believe that the Government is going in the right direction to enable that to happen?

Mr Huws: I believe that it is ambitious. The Welsh Assembly Government's policies are good policies, and the environment strategy for Wales has many targets contained within it. You no doubt have had discussions with some bodies that feel that targeting resources is one answer. It is certainly a way of dealing with the targets in the environment strategy for Wales, because, if you have set those targets, then you might then target resources towards them. We are fortunate—or, depending on your view, unfortunate—because 80 per cent of Wales is a less favoured area. So, you can say that that is the target, or you can look at the number of sites of special scientific interest in the upland areas of Wales and so on. We believe that there is still a need to target agri-environment funding across Wales, or some will lose out. The policies are good, positive and ambitious, and implementing them through agri-environment schemes is one way of achieving the aim.

the Countryside Council for Wales I recall a debate when we came up with Tir Cymen, which looked at three pilot areas in Wales—one in a designated area in Meirionnydd, in Snowdonia national park, one near Swansea in the Gower, an area of outstanding natural beauty, and one in Dinefwr, which was a relatively unknown part of the Welsh countryside. Tir Cymen paved the way for Tir Gofal, which has been an extremely successful agri-environment scheme, appreciated and respected across Europe. We are all aware of its limitations: the funding, the backlog, and so on. Wales has developed its agri-environment schemes well, and there has been some radical thinking. This is about the next stage, and depends upon how radical we want to be in relation to the farming community, or whether we want to take it a bit more gradually. However, there is a positive feeling in Europe about Wales's agri-environment schemes.

[19] **Mr Pitt:** Tir Gofal seems to be the scheme that has best delivered, the benefit being that it has a whole-farm approach and is a multi-objective scheme, covering a range of issues. Particularly relevant to our interests is that it has delivered significant benefits for the historic environment, such as retaining traditional farm boundaries and vernacular buildings—those that do not have the protection of being listed, so there needs to be something else to make up for that.

[20] The move to introduce a catchment-sensitive farming scheme was also a positive step. Unfortunately, it has not been rolled out beyond the pilot catchments, and we would like to see it expanded to cover more than just water-quality issues. If you are focusing effort in a catchment area then why not look at a wider range of issues?

[21] Tir Cynnal has had its problems and is not ideal, but is beneficial as a step into the agri-environment system.

[22] **Mick Bates:** I would like to examine some of those comments. You said that Tir Cynnal is a step in the right direction. Does it do any more than make farmers comply with existing legislation?

[23] **Ms Pitt:** I suppose it is questionable whether it delivers additional benefits. The most significant benefit is that it encourages farmers to think about going further. So, if they are in Tir Cynnal you can perhaps encourage them to take further steps. The problem has been that, from our experience, Tir Cynnal has not been sufficiently appealing for significant numbers of farmers to sign up to it.

[24] **Mick Bates:** As Iwan says, Tir Gofal is widely recognised as a whole-farm scheme that has delivered benefits for biodiversity and the local economy, as studies have shown. However, you make the point that there are no co-operative schemes as such. What are the major benefits of co-operative schemes?

[25] **Ms Pitt:** It is probably easiest to give some examples. With common land, you can only get biodiversity benefits if all commoners participate. Similarly, in a catchment, there is no point in focusing on one farm and improving its water quality if, downstream, there are ongoing adverse effects. It is also worth looking at the Tir Eryri experience in Snowdonia, where the use of dedicated project officers to facilitate group activity has been incredibly successful in improving farm practice.

[26] **Mick Bates:** To what extent is it possible to develop many more co-operative schemes—not necessarily based on river catchments, but just to get contiguous farms to work together?

[27] **Ms Pitt:** It depends upon how much you invest. Investing in project officer time will be crucial to making that successful. It is also worth remembering that, if you can get a group

of farmers to work together on environmental benefits, you can then encourage them to move on to looking at the marketing and economic benefits of working together.

[28] **Mick Bates:** Absolutely. In your experience, is the economic benefit really worthwhile, or is it often dependent on marketing and processing grants? Is there then a tendency for them to fade away because they are not commercially viable?

[29] **Ms Pitt:** Not in our experience. For example, the Dolau Cothi group of farmers has been running for some years and it seems to be viable.

[30] **Mick Bates:** Finally, the issue of the profitability of the farms is a critical issue, as is the stability that we can bring from our scrutiny of the revision of axis 2. What is the most critical factor to meet all of your demands of respecting the historic environment, biodiversity, and keeping viable and profitable farming in the uplands of Wales?

[31] **Mr Huws:** That is the key issue. We are well-placed because we have contiguous parts of Wales in our tenant farms. Dolau Cothi has nine tenants, eight of which are part of the co-operative for selling lamb in Sainsbury's. On the Ysbyty estate in Snowdonia, there are 51 farms. The question will have to be faced by the trust in the next decade or 20 years about whether or not those 51 farms are profitable businesses. We are aware that the trust in the Lake District has amalgamated farms, which was quite controversial. Having said that, we cannot maintain the countryside in aspic, because it is a living, working countryside. If smaller than usual Welsh upland farms become unprofitable, we are talking about serious social issues in the uplands of Wales. Agri-environment is part of the whole package of support, so we can work with co-operatives and our Ysbyty estate tenants for the benefit of that community. These are far-reaching questions for Government and the way it supports the industry.

[32] **Ms Pitt:** To add to that, if you are talking about the most sustainable way to ensure the economic viability of upland farms, it is about ensuring that there is as diverse a number of incomes as possible, so that a farm is not too heavily reliant on one particular source of funding.

[33] **Rhodri Glyn Thomas:** Iwan, yr oeddech yn sôn yn eich sylwadau agoriadol am yr angen i newid y diwylliant o fewn y diwydiant amaethyddol. Yr ydym wedi cael y drafodaeth honno ers bron i 10 mlynedd yn y Cynulliad Cenedlaethol. Yr oedd Mick a minnau ar bwyllgor materion cefn gwlad cyntaf y Cynulliad pan ddechreuwyd trafod y cynlluniau amaeth-amgylcheddol, ac yr oedd sôn am newid diwylliant yr adeg honno. Nid wyf yn siŵr faint o newid diwylliant sydd wedi digwydd ers y cyfnod hwnnw.

Rhodri Glyn Thomas: Iwan, you mentioned in your opening remarks the need to change the culture in the agriculture industry. We have been having that discussion for almost 10 years in the National Assembly. Mick and I were on the first rural affairs committee of the Assembly when we began discussing the agri-environment plans, and there was talk of changing the culture at that time. I am not certain how much cultural change has happened in the meantime.

[34] Yr oeddech hefyd yn sôn am Dir Cymen, a'r ffaith nad yw Dinefwr am rhyw reswm yn rhan anadnabyddus o gefn gwlad.

You also mentioned Tir Cymen, and the fact that Dinefwr is not a well-known part of the countryside for some reason.

[35] **Mr Huws:** Ar y pryd.

Mr Huws: At the time.

[36] **Rhodri Glyn Thomas:** Mae'n rhan adnabyddus iawn o gefn gwlad erbyn hyn—mae dyffryn Tywi yn un o ddyffrynnoedd

Rhodri Glyn Thomas: It is now a very well-known part of the countryside—the Towy valley is one of the most beautiful valleys in

harddaf Cymru, os nad yr harddaf ohonynt. Yr oedd y ffermwyr a oedd yn rhan o gynllun Tir Cymen yn dweud wrthyf fod y cynllun hwnnw, yn eu barn hwy, yn gynllun llawer mwy cynhwysfawr a hyblyg na Thir Cynnal a ddaeth ar ei ôl. A ydych o'r farn ein bod wedi symud ymlaen gyda'n cynlluniau amaeth-amgylcheddol, neu a oes tuedd wedi bod i gyfyngu arnynt? Yr wyf yn cofio'r awgrymiadau cyntaf ynglŷn â rhai o'r cynlluniau amaeth-amgylcheddol a oedd yn mynd llawer pellach na'r hyn sydd wedi digwydd ers hynny.

[37] **Mr Huws:** I ateb rhan gyntaf eich cwestiwn ynglŷn â newid diwylliant, pan yr ydym yn gwneud datganiadau i'r wasg maent yn aml yn cael eu camddehongli. Er enghraifft, yn ystod y mis hwn, mae'n 10 mlynedd ers prynu Hafod y Llan ar yr Wyddfa, fferm a redir yn uniongyrchol gan yr ymddiriedolaeth. Mae'n fferm organig ac yr ydym wedi haneru nifer y defaid ar y fferm honno. Mae llawer o bobl wedi edrych i weld a fyddem yn gallu cadw'r busnes yn ffyniannus ac yn gallu gwneud elw ohono. Yn sgîl y pen-blwydd hwnnw, yr oeddwn yn gwneud datganiad ynglŷn â'r dyfodol gan ddweud mai'r ffordd ymlaen efallai yw nid yn unig ffermio yr ucheldir am gig, ond trafod ffermio'r ucheldir am garbon, dŵr, bioamrywiaeth a thirlun.

11.10 a.m.

[38] Nid yw'r sector amaeth yn hoffi'r math hwnnw o siarad, ond pe baech yn mynd yn ôl 10 mlynedd a mwy gwelech nad oedd yn hoffi sôn am gadwraeth bryd hynny. Mae cynlluniau amaeth-amgylcheddol wedi newid yn llwyr ffordd y byd amaeth o feddwl. Credaf fod ffermwyr a'u hundebau dipyn yn fwy agored i'r drafodaeth, ond maent eisiau gweld sut yn union y cânt eu talu am ffermio carbon, ac ati, yn yr ucheldir, a beth mae hynny'n ei olygu. Dyna'r math o drafodaeth sydd ei hangen.

[39] Yr oedd eich ail gwestiwn am ddatblygiad y cynlluniau, ac arbrawf am bum mlynedd oedd Tir Cymen. Yr oedd yn hael iawn, a dyna pam yr oedd nifer o ffermwyr yn ei fwynhau. Gwn am rai ffermydd yn yr ucheldir a oedd yn cael taliadau anferthol, dim ond am fod ganddynt gynefinoedd a

Wales, if not the most beautiful. The farmers who were part of the Tir Cymen scheme told me that that scheme was, in their opinion, much more comprehensive and flexible than Tir Cynnal, which succeeded it. Do you believe that we have moved forward with our agri-environment schemes, or has there been a tendency to limit them? I remember the first suggestions about some of the first agri-environment schemes, which went much further than what has happened since.

Mr Huws: To answer the first part of your question about cultural change, when we issue press releases they are often misinterpreted. For example, this month is the tenth anniversary of the purchase of Hafod y Llan on Snowdon, a farm which is directly run by the trust. It is an organic farm and we have halved the numbers of sheep on it. Many people have looked to see whether we can keep the business prosperous and profitable. Following that anniversary, we issued a statement about the future saying that perhaps the way forward is not only to farm the upland for meat, but also to discuss farming the upland for carbon, water, biodiversity and landscape.

The agricultural sector does not really like that kind of talk, but if you were to go back 10 years and more, you would find that it did not like to talk about conservation back then. Agri-environment schemes have transformed the mindset of the agricultural world. I believe that farmers and their unions are much more open to that discussion, but they want to see exactly how they will be paid for farming carbon, and so on, on the uplands, and what that means. That is the type of discussion that we need to have.

Your second question was on the development of schemes, and Tir Cymen was just a five-year pilot scheme. It was very generous, which was why it was popular with so many farmers. I know of some farms on the uplands that received enormous payments, just because they had habitats that

oedd ar y rhestr warchod. Mae hyn wedi newid dros y blynyddoedd, ac mae cynllun Tir Gofal wedi'i dargedu at gynefinoedd, sy'n golygu bod rhai o'r taliadau mawr wedi diflannu.

were on the protected register. That has changed over the years, and the Tir Gofal scheme is now targeted at habitats, which means that some of those huge payments have disappeared.

[40] Rhaid inni ddatgan buddiant i raddau, gan fod rhai o'r tenantiaid sydd ar ein ffermydd ni yn yr ucheldir yn cael y taliadau mwyaf yng Nghymru drwy Tir Gofal, am fod cymaint o fioamrywiaeth ar ffermydd ucheldir Cymru. Mae'r taliadau hynny'n dderbyniol a dealladwy. Fodd bynnag, mae'r cynlluniau wedi gwella dros y blynyddoedd. Mae cefnogaeth i Tir Gofal, ond gwyddom oll am y problemau.

We ought to declare an interest to a certain degree, because some of the tenants on our farms on the uplands receive the largest payments in Wales through Tir Gofal, because there is so much biodiversity on Welsh upland farms. Those payments are acceptable and understandable. However, the schemes have improved over the years. There is support for Tir Gofal, but we all know about the problems.

[41] **Darren Millar:** You refer in your paper to the lack of flexibility in the existing schemes. You talk about the need for more flexibility, partly because some of the existing schemes are very much focused on designated sites, for example. How do you see that working out? Why are you seeking this much greater degree of flexibility, and how can it be applied in practice?

[42] **Ms Pitt:** I can give you an example of how the lack of flexibility has been a problem. We have experience of a farm in the Brecon Beacons that has particularly good hay meadows, which are designated sites of special scientific interest. The farm entered the Tir Gofal scheme, and the prescriptions that it was required to follow meant that the hay meadows' condition declined. In that situation, it would have been more advantageous had the scheme been set by the outcome that you wanted, namely that of the hay meadows thriving. If the scheme is able to target that outcome, the farmer could deliver the actions that would reach that outcome. Therefore, focusing on the outcome rather than the prescriptions would be one way to improve flexibility. The role of the project officer is also beneficial. If they can discuss with the farmer what benefits that farm can provide and what the priorities are, they can then set a programme of action to deliver that.

[43] **Darren Millar:** Is there not a danger that introducing increased flexibility—through the additional support required by project officers, for example—will sap more money out of the scheme through administration cost, and will not deliver the benefit directly to the farmer? We were talking about the viability of farms a few minutes ago, and that could undermine the opportunities for farms to continue to be viable.

[44] **Ms Pitt:** It is probably a worthy investment. If you want to get the best out of the scheme, you have to invest in the monitoring as well. There has been resistance to that in the past, but how do you know that you are delivering results and making the best use of money if you are not checking what has been done? So, monitoring and project officers are additional costs, but they need to be there.

[45] **Mr Huws:** Over the years, conservation has learned the real benefit of having project officers, particularly ones who can speak the same language as the farmer. I am not making a specific point about the Welsh language, but 80 per cent of farmers are bilingual, and conservation has benefited so much over the years by understanding that and having staff who can deal with these issues on the ground. We understand that 100 per cent in the National Trust, as do other conservationists, and the Environment Agency is learning this as well. Investing in project officers and dealing with farmers over the farm gate, on their level, is crucial. The benefit of project managers should not be underestimated.

[46] **Darren Millar:** Do you not accept that, if that takes money out of the scheme—

[47] **Mr Huws:** It is a good investment, though.

[48] **Darren Millar:** I appreciate that in relation to the environmental outcomes, but for one of the other outcomes that you said you would like to see more emphasis placed on, namely the historic environment, perhaps you will see some of the smaller farms not being viable. Farm boundaries may change, which could have an adverse impact on the historic outcomes that you are looking for.

[49] **Ms Pitt:** I come back to the point that there has been an overreliance on axis 2 as a funding pot. It is expected to deliver a range of things on its own. It needs to be just one weapon in the armoury. That is why we talk about seeking new forms of investment in land management. We realise that we cannot do absolutely everything with axis 2, so let us look at where else we can get money invested in land management.

[50] **Darren Millar:** Okay. I want to turn, very briefly, to the issue of the historic environment indicators that you referred to. You mentioned one being the historic boundaries of the farms perhaps. What other indicators would you like to see introduced within the new schemes?

[51] **Mr Huws:** Tir Gofal, for example, recognised archaeological artefacts under its payments, and that was one difference between Tir Cymen and Tir Gofal. Cadw is looking at the scope of what is possible. In a sense, it is good that there is a holistic approach to the landscape. Cadw should not be seen as an afterthought. We were, to some extent, dealt that hand under the environment strategy, but the cultural and archaeological landscape came in as part of that strategy, which was welcome. If they are included at the beginning while schemes are being formulated, that can only be beneficial to the historic environment.

[52] **Darren Millar:** Of course, you have to be able to measure these strands, which potentially have an impact on the cash available to farms at the end of the day. How can you do that economically while still managing to achieve the outcomes? You have accepted that there have been some benefits to the historic environment and to the historic landscape as a result of the existing schemes, but it has almost been indirect advantage rather than an aim of the existing schemes, or a benefit that was not foreseen in the direct sense. You have mentioned archaeological issues and the historic boundaries. What other indicators would you be looking for?

[53] **Ms Pitt:** The problem is that work has only just begun to look at the baseline condition. You need to know what things are like at the moment before you can monitor any progress. That is the stage that we are at now. Once that baseline information is gathered, collated, and understood, then, based on that, we will be able to work out which indicators will show you where you are progressing.

[54] **Darren Millar:** Thank you.

[55] **Rhodri Glyn Thomas:** Nodwch mai opsiwn 2 fyddai dewis yr Ymddiriedolaeth Genedlaethol, er nad ydych yn gwbl fodlon ag opsiwn 2 ac yn nodi rhai o'i wendidau. Deuaf yn ôl at hwnnw. Mae'r ymddiriedolaeth yn sefydliad unigryw yng nghyd-destun amaeth, nid yn unig yn y ddwy fferm yr ydych yn eu ffermio yn **Rhodri Glyn Thomas:** You note in your evidence that option 2 would be the preferred option of the National Trust, even though you state that you are not entirely happy with option 2 and you outline some of its weaknesses. However, I will come back to that. The trust is a unique organisation in the agricultural context, not only with regard to

uniongyrchol, ond hyd yn oed yng nghydestun eich tenantiaid, oherwydd mae adnoddau'r ymddiriedolaeth y tu ôl i'r ffermwyr hynny i gyd. A yw eich sylwadau yn deillio yn uniongyrchol o natur y sefydliad, neu a ydynt yn gynrychioladol o'r diwydiant yn ei gyfanrwydd? A oes modd ichi fod yn gynrychioladol?

the two farms that you farm directly, but even in the context of your tenants, because the resources of the trust are behind all of those farmers. Do your comments stem directly from the nature of the organisation, or are they representative of the industry as a whole? Is it possible for you to be representative?

[56] **Mr Huws:** Gobeithiaf ei bod yn rhan o'r cyfan. Yr ydym yn edrych ar botensial echel 2 i wneud daioni yng nghefn gwlad yn gyffredinol. Yr ydym hefyd yn ystyried pa fanteision sy'n dod i'n tenantiaid. Mae'n siŵr bod yr undebau ffermwyr yn gweld echel 1 fel y *status quo*, ond ni chredwn ei bod yn opsiwn. Bydd pethau'n newid beth bynnag y mae pobl yn ei feddwl.

Mr Huws: I hope that it is a part of the whole. We are looking at the potential of axis 2 to benefit the countryside generally. We are also considering what advantages there would be for our tenants. I am sure that the farming unions look at axis 1 as the status quo, but we do not think that that is an option. Things will have to change whatever people think.

11.20 a.m.

[57] Mae opsiwn 3 yn uchelgeisiol ac yn ymwneud â thargedau'r Llywodraeth drwy'r strategaeth amgylcheddol, felly mae hwnnw'n haeddiannol. Yr ydym yn meddwl yn bragmataidd o ran opsiwn 2, ond mae'n ddyddiau cynnar ac mae angen mwy o waith o ran trosglwyddo i'r cynlluniau newydd. Fodd bynnag, yr ydym yn ceisio bod yn gynrychioladol o'n tenantiaid, o'n hystâd ac o'r gadwraeth yng Nghymru yn gyffredinol. Nid ydym yn edrych yn uniongyrchol ar ein buddiannau ni, er eu bod yn bwysig inni. Un o gryfderau'r ymddiriedolaeth yw ein bod, a defnyddio'r Saesneg, '*practise what we preach*'. Gallwn drin a thrafod polisi, ond yn y pen draw, rhaid ei weithredu ar y tir, yn yr ucheldir, yn ein ffermydd a thrwy ein tenantiaid. Felly, yr ydym yn gorff unigryw yn hynny o beth. Gallwn drin a thrafod polisi, ond yr ydym hefyd yn gorfod rhedeg busnes.

Option 3 is ambitious and relates to Government targets through the environment strategy, and so that is commendable. We are thinking pragmatically about option 2, but it is still early days and more work needs to be done on transferring to new schemes. However, we do try our best to be representative of our tenants, our estate and of conservation in general in Wales. We do not look directly at our own interests, even though they are important to us. One of the trust's strengths is that we practise what we preach. We can discuss policy, but ultimately we have to implement it on the land, on the uplands, on our farms and through our tenants. Therefore, we are a unique body in that regard. We can discuss policy, but we also have to run the business.

[58] **Rhodri Glyn Thomas:** Yr ydych yn gywir i ddweud eu bod yn ddyddiau cynnar o ran opsiwn 2, ond yr ydych yn nodi nad ydych yn gwbl fodlon ag opsiwn 2. Beth yn sylfaenol y gallwn ei wneud i gryfhau opsiwn 2 ac i sicrhau ei fod yn cynnig y budd mwyaf i bawb sy'n gweithio yng nghefn gwlad?

Rhodri Glyn Thomas: You are right to say that these are early days for option 2, but you also note that you are not completely happy with option 2. What essentially can be done to strengthen option 2 to ensure that it offers the greatest benefit to everyone working in the countryside in Wales?

[59] **Ms Pitt:** I have a couple of points on why we have said that it is not wholly adequate. It is not clear why the basic level would be developed from Tir Mynydd when that was not designed as an agri-environment scheme, so it would seem illogical to use that as a basis for a basic-level scheme.

[60] The basic level does not mention action on soil or water, which you would assume would be something for farms covering many areas to look at. So, we would like those to be included in the basic level. Similarly, the advanced element does not mention targeting biodiversity action, particularly when looking at things like common land. If you are working on that scale, biodiversity should be included as an objective.

[61] **Rhodri Glyn Thomas:** A dychwelyd at fy mhwynt cychwynnol, mae llawer o ffermwyr yng Nghymru yn teimlo'r wasgfa ariannol ar hyn o bryd, ac maent yn symud o system o gael arian yn uniongyrchol at systemau lle y bydd y modd y mae ffermwyr yn derbyn yr arian yn newid—er y bydd maint yr arian yn cynyddu, ac mae'n atyniadol o ran hynny. Gellid dadlau ein bod yn sôn am gynlluniau mwy hirdymor na thymor byr, sy'n apelio at yr ymddiriedolaeth, ond am y rhesymau a restrais yn gynt, ni fyddant yn apelio gymaint at ffermwyr sy'n ceisio dygymod â'r sefyllfa gyfredol a chael dau ben llinyn ynghyd. Beth y gellir ei wneud i'w perswadio mai dyma'r ffordd ymlaen ac y byddai'n fuddiol iddynt fuddsoddi yn y cynlluniau hyn?

[62] **Mr Huws:** Yn anffodus, oherwydd yr hinsawdd economaidd, dyma un o'r prif ffyrdd i'r busnes newid, i bobl sylweddoli mai dyma'r ffordd o symud i'r dyfodol. Nid yw'n ddeniadol ar y funud oherwydd mae'r sector amaeth yn parhau i fod eisiau ffermio yn y dull traddodiadol, sef cynhyrchu cig, ond trafod rhywbeth ehangach ydym yma, ac os yw'n bosibl gwneud taliadau uniongyrchol fel y dywedais eisoes, i warchod yr hyn yr oeddem yn ei drafod, byddai hynny yn sicr yn ddeniadol iddynt. Mae'r sector yn sylweddoli fod yr hinsawdd economaidd a'r wasgfa sydd arnynt yn mynd i newid eu ffyrdd hwy o wynebu'r dyfodol. Bydd hyn felly yn gorfodi newid yn y sector amaeth er budd yr amgylchedd. Dyna fel y mae'r drafodaeth wedi mynd dros y degawdau ac efallai y hwyrach bydd yr hinsawdd hon yn gwthio'r ddadl ymlaen yn gynt.

[63] **Rhodri Glyn Thomas:** Yn olaf, a ydych yn hyderus bod modd cyflwyno cynllun newydd o'r fath o fewn y math o amserlen y mae'r Llywodraeth yn ei hawgrymu? Yn y gorffennol bu problemau ac maent yn parhau gyda Tir Gofal.

[64] **Mr Huws:** Mae'n uchelgeisiol. Mae

Rhodri Glyn Thomas: To return to my initial point, many farmers in Wales are feeling the credit crunch at the moment and are moving from a system of direct payment to systems whereby how farmers receive that money will change—although the amount of funding will increase, which is appealing. It could be argued that we are discussing more long-term schemes rather than short-term schemes, which appeals to the trust, but for the reasons that I mentioned earlier, they will not be as attractive to farmers who are trying to cope with the current situation and are trying to make ends meet. What could be done to persuade them that this is the way forward and that it would be beneficial for farmers to invest in these schemes?

Mr Huws: Unfortunately, given the economic climate, this is one of the main ways in which the business can change, for people to realise that this is how to move into the future. It is not attractive at the moment, because the agricultural sector still wants to farm in the traditional way, by producing meat, but what we are discussing is broader, and if it is possible to make direct payments as I said earlier, to protect what we were discussing, that would certainly be attractive to them. The sector realises that the economic climate and the pressures that are on them are going to change their ways of facing the future. That will therefore force a change in the agriculture sector for the benefit of the environment. That is the way in which the discussion has gone over the decades and perhaps the current climate will push the debate forward more swiftly.

Rhodri Glyn Thomas: Finally, are you confident that it is possible to introduce a new scheme such as this one within the kind of timetable that the Government is suggesting? There have been problems in the past and there continue to be problems with Tir Gofal.

Mr Huws: It is ambitious. Everyone

pawb yn deall hynny. Yr ydym yn sicr eisiau gweld y datblygiad ac yr ydym yn ei groesawu. Yr ydym wedi profi newid o un cynllun i un arall o'r blaen—o Tir Cymen i Tir Gofal ac yn y blaen. Byddwn i'n meddwl ei bod yn broblem a wynebwr gan swyddogion Llywodraeth y Cynulliad yn yr adran amaeth, ond nid yw'n broblem newydd.

understands that. We certainly want to see the development and we welcome it. We have experienced previously a change from one scheme to another—from Tir Cymen to Tir Gofal and so on. I would think that it is a problem faced by Assembly Government officials in the agriculture department, but it is not a new problem.

[65] **Alun Davies:** Diolch yn fawr. Os nad oes unrhyw gwestiynau ychwanegol, diolchaf i chi am eich tystiolaeth y bore yma. Yr ydym yn gwerthfawrogi'r amser yr ydych wedi ei dreulio gyda ni. Bydd trawsgrifiad ar gael i chi yr wythnos nesaf. Gobeithiwn adrodd ar y pwnc hwn cyn y Nadolig. Diolch.

Alun Davies: Thank you. If there are no additional questions, I thank you for your evidence this morning. We appreciate the time that you have spent with us. A transcript will be available to you next week. We hope to report on this subject before Christmas. Thank you.

11.27 a.m.

Ymchwiliad i Echel 2 y Cynllun Datblygu Gwledig: Sesiwn Dystiolaeth Inquiry into Axis 2 of the Rural Development Plan: Evidence Session

[66] **Alun Davies:** Mae'n bleser gennyf wahodd y tystion nesaf at y bwrdd. Fe'ch croesawaf i'r cyfarfod. Yr ydym wedi gweld eich tystiolaeth ysgrifenedig ac yr ydym yn ddiolchgar i chi amdani. Cymerwch yn ganiataol bod Aelodau wedi cael cyfle i ddarllen eich tystiolaeth ysgrifenedig ac mae gan Aelodau gwestiynau i chi ar sail hynny. Cyn hynny, hoffwn ofyn i chi gyflwyno eich hunain ar gyfer y Cofnod a gwneud unrhyw sylwadau agoriadol yr ydych yn dymuno eu gwneud.

Alun Davies: It is my pleasure to invite the next witnesses to the table. I welcome you to the meeting. We have seen your written evidence and we are grateful to you for it. You may take it for granted that Members have had an opportunity to read your written evidence and Members have questions for you, based on that evidence. Prior to that, I would like to invite you to introduce yourselves for the Record and to make any introductory remarks that you wish to make.

[67] **Ms Luxton:** Thank you. I am Katie-Jo Luxton, head of conservation policy for the Royal Society for the Protection of Birds, and this is my colleague, Jeff Davies, who is the agriculture and rural policy officer. I would like to make four points by way of introduction to our paper and as a commentary on the previous sessions that you have had, having looked at the evidence that you have received so far.

[68] I would first like to make sure that you are in no doubt that the declines in biodiversity are ongoing and serious. There is a wealth of incontrovertible, scientific evidence on this, ranging from widespread species surveys, like the breeding bird survey, through to the Government's own biodiversity indicator, which showed that we had lost 5 per cent of species at the 2005 record. There is also species-specific research and we have put some of the detail in our paper. It comes not just from the world of birds, as there is a similar picture from all the monitoring that has been done, including that on butterflies and mammals through to creepy crawlies as well. I really want you to know that we are talking about ongoing declines.

[69] My second point is that I have picked up a feeling that perhaps there is a reticence to get going with this review and I feel that the biodiversity declines and the urgent threats of climate change and water management are so urgent that we do not have the luxury of time to tinker with schemes. If we do that, we will be losing species in Wales by the time that we get

around to the next common agricultural policy review we will be well down the line, because it takes years to redesign schemes. The fear of change or administrative complexity should not put us off starting to develop a new scheme structure.

11.30 a.m.

[70] Thirdly, to tackle species decline, you need to look at four key areas. You need the right prescriptions in the scheme, and we do not have them all in our current schemes. You have to deploy that right package of prescriptions to the areas where the declining species can still be found—something that we do not do well enough at the moment. You have to have highly skilled project officers. Finally, you have to have enough farms in these schemes to make a difference. The first three key areas are about the content and design of the scheme, and the fourth is about the amount of money in it. I do not need to remind you that 1,000 farms are on the Tir Gofal waiting list, and we are only putting in 200 this year, so it is a pretty depressing waiting list for those farmers on it.

[71] Finally, I want to impress on you that achieving this change to tackle decline in biodiversity is not in any way insurmountable. Farmers all over Wales are doing just the things that we need them to do right now, and there are fantastic examples of really good work. Most of those farmers are fantastic advocates for that work, too. Our problem is that the schemes that we have do not manage to achieve that with enough flexibility and penetration, and we simply do not have enough of those schemes. We just need to make sure that the entirety of axis 2 money is spent on delivering our environmental priorities.

[72] **Alun Davies:** Diolch. Dywedwch yn adran gyntaf eich tystiolaeth ysgrifenedig fod pryder mawr yn hyn o beth. Defnyddiwch eiriau fel ‘catastrophic loss’, ‘our only hope of making progress’, ‘best, if not last, realistic chance’, a ‘scale of complexity in meeting environmental challenges’, a hynny ar sail eich ymchwil a’r gwaith yr ydych wedi ei wneud. A ydych yn meddwl bod ymagwedd bresennol Llywodraeth y Cynulliad yn ddigonol?

Alun Davies: Thank you. You say in the first section of your written evidence that there is grave concern in this regard. You use words such as ‘catastrophic loss’, ‘our only hope of making progress’, ‘best, if not last, realistic chance’, and ‘scale of complexity in meeting environmental challenges’, based on your research and on the work that you have carried out. Do you think that the course currently being taken by the Assembly Government is adequate?

[73] **Ms Luxton:** The Assembly Government has set some bold targets, some of which came from previous international targets—so, we have a 2010 biodiversity target to halt decline and a target of 2026 to reverse that decline. I think that there is unanimous agreement that we will not meet the 2010 target; that does not mean that we walk away and give up, but that we redouble our efforts. The problem for us is that we are simply not doing enough of the necessary targeted, focused actions, and agri-environment schemes are just one weapon in the armoury of measures to tackle declines in biodiversity. However, declines on farmland are some of the biggest and longest-standing declines, and what is good about the agri-environment schemes is that we have a package of funding available, we know largely what we need to do—although there are still areas where we would like to know more—so it seems relatively simple to get that element of dealing with biodiversity together. It will be much harder to do that in other areas. Marine decline in biodiversity will be very difficult to tackle. I therefore feel that we should use the opportunity that we have here better, and certainly more could be done.

[74] **Alun Davies:** Dywedwch y gall y Llywodraeth wneud mwy, ac mae’ch papur yn adlewyrchu’r haerriad hwnnw. A ydych yn meddwl y gall y Llywodraeth gyrraedd y

Alun Davies: You say that the Government can do more, and your paper reflects that assertion. Do you think that the Government can reach the targets in the environmental

targedau sydd yn y strategaeth amgylcheddol fel y'u cyhoeddwyd? Clywsom gan dystion eraill y bore yma fod y targedau hynny'n uchelgeisiol, ac yr ydych wedi eu galw'n 'bold'—anaml iawn y mae pobl yn dweud hynny os nad ydynt yn credu bod modd cyrraedd y targedau hynny. A ydych yn credu bod modd i'r Llywodraeth gyrraedd y targedau ar gyfer bioamrywiaeth?

strategy as it is published? We heard from other witnesses this morning that those targets are ambitious, and you have called them 'bold'—it is not very often that people say such things if they do not believe that the targets are attainable. Do you think that it is possible for the Government to reach the targets for biodiversity?

[75] **Ms Luxton:** For the 2010 biodiversity target, quite simply, the answer is 'no', but if you had asked me that question in 2006, I might have said that it was possible. Whether you meet some of the other targets is down to the amount of effort that the Government is prepared to put into it, and that means financial resources and commitment in other areas in terms of staff time.

[76] **Mick Bates:** Thank you for your paper. In farming, stability and continuity are two big cultural themes—you will have heard Rhodri discussing cultural themes. What is the best way of ensuring that we do not have a massive disruption when a new axis 2 scheme is introduced?

[77] **Ms Luxton:** We must have transitional measures, but we need—and this is where we could do with some help from our political leaders—to set the clear direction of change and a timetable for change. I have worked on agricultural policy for 10 years, and, in that time, we have always been in a period of transition, and I think that it has gone on for a lot longer than that. We need an end point for each stage, and that needs to be explicitly spelt out to the farming community so that it understands the direction in which we are going.

[78] **Mr Davies:** I totally agree with that.

[79] **Mick Bates:** Organisations such as yours are the key drivers for change. If we are looking for stability, surely, as we heard from the farming unions in their evidence, retaining the status quo would be the best option.

[80] **Ms Luxton:** Retaining the status quo is simply not an option, from the environmental point of view, which I have set out fairly clearly already, but also from the farming point of view. I read only yesterday an e-mail from a colleague reporting on the EU budget debate, which said that there was not very much agreement on anything except that the common agricultural policy budgets will be going down. It has not quite been decided how they will be cut and which bits will be cut, but pillar 1 is the No. 1 target, and therefore, whether we like it or not, farmers in Wales will receive less subsidy after 2013. We probably cannot protect pillar 1 in the face of World Trade Organization challenges and most people, including both farmers unions that presented to you, accept that there will be digressivity of pillar 1.

[81] Pillar 2 could also be under attack, and probably the best way to secure that money and to keep pillar 2 in Welsh farming is to be able to show that it is delivering on your governmental outputs. Those are some of your environmental priorities and, at the moment, none of your schemes do that, because either they have not been monitored or it has not been able to be demonstrated. So, this is a pretty crucial opportunity to get schemes in place with clear objectives that you then monitor against those objectives, so that, by the time we get to 2013 and 2015, you can demonstrate to the EU very clearly that your rural development measures are delivering clear outputs for the public money spent and that, therefore, they should be protected.

[82] **Mick Bates:** Fine. That is an interesting statement. Are there any good bits of the

existing schemes, in view of what you have just said, that you would keep?

[83] **Ms Luxton:** Undoubtedly. Do you want to talk in more detail about that, Jeff?

[84] **Mr Davies:** Tir Gofal has some very good aspects. One is the whole-farm approach that it takes—it takes a holistic view of a farm holding. Within Tir Gofal, it has been possible—and this has been happening progressively as the scheme has developed—to do some focused work. Tir Gofal has the scope to deliver the kind of prescriptions needed to address biodiversity issues at species level, and quite a lot of work has gone on over the past few years to develop the kind of packages of prescriptions that can address biodiversity issues at species level. So, there are some really good things about Tir Gofal that we would want to see maintained and rolled over into a new system.

11.40 a.m.

[85] **Mick Bates:** From the point of view of species decline, are you saying that, within any new scheme, given that the status quo is possibly not an option, there needs to be much more targeting at whatever the prescriptions are to address particular species? I think that there is some evidence from England that may be worth mentioning on the way that targeting, with good monitoring, works to improve or halt biodiversity decline.

[86] **Ms Luxton:** Yes, that is very much what we think that we should do. Tir Gofal never had any specific species targets in the objectives, and if the Assembly plans to use the agri-environment schemes to arrest species decline, we should be clearer about that in the objectives of the new schemes. We have evidence from England that agri-environment interventions have very markedly brought about a population recovery in ciril buntings. There is also evidence in Scotland on corn buntings and some evidence on a slightly different, but similar, scheme on stone-curlews.

[87] We prefer to use the word ‘focus’, because focusing is about putting the right prescriptions in the right places, and ‘targeting’ seems to mean geographically reducing the spread of where you are using the money. From our perspective, if you map all of the declining species that we think that the Assembly Government should be doing something about, you will have covered Wales with quite a few blobs, and every farm has at least one priority species, and most have five or six. So, we would prefer to see this scheme focused to delivering priorities, rather than it being geographically restricted.

[88] **Mick Bates:** It seems to me that we are moving to a concept that, years ago, we used to call ‘biological capital’, where individual species were given a value. Are you saying that that may be the way forward? You mentioned corn buntings in Scotland, so, if an organisation such as yours gave us a value of corn buntings, with good monitoring, would an increase in numbers lead to farmers receiving more money? Is that what you are saying? That seems like an incentive scheme to me.

[89] **Ms Luxton:** It is not quite that simple. We want to see outcome-focused prescriptions, similar to those our colleagues from the National Trust were talking about, and we would like to see more outcome-focused monitoring. If farmers did all of the work but did not attract the species, that could be due to factors outside their control, so I would probably stop short of paying only those farmers who did attract the species. I would not want to see people not being paid for not attracting species to their land. It is certainly a possibility, but I do not think that that is where we should start at this period in time.

[90] **Mick Bates:** It is nice to hear that there are factors beyond farmers’ control.

[91] **Darren Millar:** Thank you for your paper. One of the things that you so eloquently

suggested in your opening remarks is that biodiversity, water quality and climate change need to be focuses of the new regime. We have talked a great deal about biodiversity so far in the evidence session, so I will turn to the issue of water management and quality and to the flood reduction opportunities that exist. Do you agree with the National Trust evidence that a co-operative approach in catchment areas is the way forward, and would you like to see more encouragement of co-operative approaches with various farms coming together within the new scheme that comes forward?

[92] **Mr Davies:** We would very much welcome that and see it as the way forward. We see operating on a landscape scale, involving a group of farmers—within a catchment area or around an upland block—working across farm boundaries as being an effective way of dealing with multiple objectives, because you are trying to deal with soil, water and biodiversity management issues. Water and biodiversity management in particular are issues that cross farm boundaries—they are not restricted within farm boundaries. So, a co-operative approach would be appropriate.

[93] **Darren Millar:** Otherwise, I assume that you might end up with islands of biodiversity rather than biodiversity corridors.

[94] On the climate change agenda, water management is part of adaptation and mitigation. However, your paper refers to a lack of evidence about our ability to reverse degradation in boglands and the potential for peat bogs to absorb carbon. Is there any more evidence that we could take on board? We visited a peat bog in mid-Wales near Vyrnwy, and we were very impressed with the restoration work. However, it seems difficult to establish how much carbon is being absorbed by the land as a result of that work. Is there any emerging evidence?

[95] **Mr Davies:** It is still very early days. One of the problems with trying to assess exactly how much carbon is being retained, and how much is released, is that the research is still at an early stage. A great deal of research is being done based around the Life project at Vyrnwy. It is being carried out by a consortium of universities under the project name of UKPopNet. They are looking at a wide range of aspects of the blanket bog restoration, including biodiversity and carbon flux, which is the extent to which carbon is released or retained. The aim is to eventually come up with some reliable evidence as to what is happening. It is still at an early stage, so you have to be cautious before saying that the evidence definitely points one way or another. The results of the research are that it is beginning to show some benefit but, scientifically, it is too early to tell. It will be a few years down the line before you know what is happening. Until now, there has been little research on this in the UK.

[96] **Ms Luxton:** To add to that, we can do a number of very simple things to lock the carbon into our soil. They should be part of the action taken under any agri-environment scheme. With regard to the attempt to restore blanket bog for carbon purposes, it is unclear at the moment how much carbon that will involve—we are a few years off quantifying that. Establishing the value of such action could cause us some challenges.

[97] However, it is also important to stress that restoring blanket bog is an important end in its own right from a biodiversity point of view. This is one of the criticisms we had of the whole consultation paper. Although the first element of it talked about the need to integrate all these different environmental priorities, when you come to the options, they all seem to have been separated out again. We want a scheme that brings about multiple objectives, so that you would take a catchment area or an upland block and ask what you wanted to get out of that area. There could be a number of benefits for biodiversity, water and the historic environment. Then you would be essentially creating an integrated vision for that area, and your agri-environment payments should be targeted at achieving that, rather than having a

lower-tier scheme that deals with x and a higher-tier scheme that deals with y. Again, that takes us down the line of not integrating our objectives, and we then fail to get best value for money.

11.50 a.m.

[98] **Darren Millar:** Like the National Trust, you refer in your paper to the need for flexibility in the new scheme. Do you think that that would include the need to be flexible as new evidence emerges about the ability of blanket bog to absorb carbon, and that there is a greater emphasis on this in the future, without having to overhaul the entire scheme?

[99] **Ms Luxton:** Yes, that would help enormously. The Tir Gofal agreements that are delivering at the moment often use the special projects option, which allows that flexibility. Most of the Tir Gofal agreements that are delivering on biodiversity have been done through special projects, not through the mandatory prescriptions. The new scheme should have less mandatory options and a more menu-based series that the project officer could create in dialogue with the farmer, fitting the farmer's economic enterprise and also meeting some of the other biological and environmental objectives. One thing that is really important—all our experience of working with farmers shows this—is building up a dialogue with the farming community about what suits an individual farmer.

[100] One reason why I do not think that Tir Cynnal achieved what we hoped it would achieve is because it became an administrative tick-box exercise, and I do not think that you persuade or convert anyone by sending them bits of paper. On the whole, you develop a way forward by building individual relationships and having a dialogue that ends up with some kind of compromise as an output. Through the special projects, Tir Gofal has been able to achieve that. The key difference is the project officer.

[101] **Alun Davies:** I would like to move on, if possible, Darren.

[102] **Darren Millar:** You refer to the need for an all-Wales element to the scheme, because of the fact that some things apply across the whole of Wales and will need to be incorporated. Can you briefly comment on that and expand on the information that you have given us in your paper?

[103] **Ms Luxton:** The biodiversity declines that are going on are widespread across the whole of Wales. Some species are very restricted, and we could tackle those declines through more targeted and focused programmes in those areas, but if we only did that, we would not be solving the whole problem. We should be ambitious and try to use the money that we have to tackle this. We will not find this scale of resource to tackle climate change, biodiversity and water management anywhere else. We have to use the money that we have where it is needed. These declines are going on all over Wales. There are climate change actions and water actions that need to take place all over Wales.

[104] **Rhodri Glyn Thomas:** Diolch am y papur a'r cyflwyniad. Ynddynt, yr ydych yn pwysleisio bod y sefyllfa'n argyfyngus a bod angen mynd i'r afael â'r problemau hyn ar fyrder. Yr ydych yn awyddus i weld y cynllun hwn yn cael ei weithredu cyn gynted â phosibl. Yr ydych yn ffafrio opsiwn 2, ond, fel yr Ymddiriedolaeth Genedlaethol, dywedwch fod angen newidiadau, a bod angen 'datblygu' opsiwn 2 er mwyn ei wneud yn effeithiol. Mae ychydig o dyndra rhwng **Rhodri Glyn Thomas:** Thank you for the paper and the presentation. You emphasise that this is a critical situation, and that it is necessary to tackle these problems urgently. You are eager to see this plan being implemented as soon as possible. You favour option 2, but, like the National Trust, you say that amendments are needed, and that there is a need to 'develop' option 2 to make it effective. There is a little tension between your desire to move forward as soon as

eich awydd i symud ymlaen cyn gynted â phosibl a'ch awydd i weld y newidiadau a'r diwygiadau i opsiwn 2. Beth yw'r pethau sylfaenol yr ydych am eu gweld yn newid yn opsiwn 2, neu yr ydych am eu hychwanegu at opsiwn 2 er mwyn ei dderbyn a symud ymlaen gyda chyflwyno'r cynllun?

possible and your desire to see amendments made to option 2. What are the fundamental things in option 2 that you would like to see amended or that you want to add to option 2 to be able to accept it and to move on with the introduction of the plan?

[105] **Ms Luxton:** It was noticeable in the consultation document that the further the move from the status quo the less detail was available. With all these schemes, the devil is in the detail, so we need to have discussions about prescription menus, the structure of the scheme, where the project officer investment is and all those types of things before we come down wholeheartedly to back one specific scheme. What we like about option 2 is the two-tier element; we like the fact that there will be a lower tier that all farmers should have access to. We like the idea of more focused action and more in-depth interventions through a higher-tier scheme. We would rather that it was not geographically targeted, per se, but that we look at the priorities and let them guide us to the places and areas where we need interventions. The other thing that I think is crucial about option 2 is that we have put all of the axis 2 money into one budget and we could therefore potentially have more environmental output for it. Option 1(b) has some good environmental suggestions in there but there is no money behind it because we have left the vast majority of the money—in fact, we have put more money into the Tir Mynydd scheme, which, although it may achieve some environmental outputs, and we think that it could do so, it does not, by its nature, secure you those benefits in the scheme's design.

[106] I think that there is a lot more discussion to be had on axis 2, and it could also take us a long time. We started this review in 2005 and it has taken us three years to get a consultation document. I suggest that we could do things a bit faster if we put more civil servants onto it, with a greater element of political urgency, and if you involved the stakeholders more. We were disappointed that the stakeholder group did not meet more frequently. I think that the vast majority of us in the sector are extremely keen to put time in to help the Assembly to get this right. The whole of the stakeholder group is keen to support the Assembly to get this done. It will be tight. There is a hell of a lot to be done, but I do not think that it should paralyse us into thinking that it is all too much.

[107] **Rhodri Glyn Thomas:** Yr ydych yn dweud, fel yr ydym yn symud o'r sefyllfa bresennol, bod y manylion ynglŷn â symud o'r sefyllfa honno i gynllun llawn newydd ar sail opsiwn 2, yn mynd yn brinnach. A gredwch fod hynny oherwydd bod elfen wylriadwrus am beidio â gelyniaethu'r bobl sydd yn draddodiadol gynrychioli'r diwydiant amaethyddol—nid yn gymaint yr Ymddiriedolaeth Genedlaethol, ond yr undebau sydd am gadw'r *status quo*? Ai dyna'r rheswm: eu bod yn ceisio cadw'r rheiny'n rhan o'r datblygiadau?

Rhodri Glyn Thomas: You say that, as we move away from the status quo, the details of such a move to a full new scheme based on option 2 become more and more scarce. Do you think that that is because there is a cautious element in not wanting to alienate those who have traditionally been representative of the farming industry—perhaps not the National Trust per se, but the farming unions which are eager to retain the status quo? Is that the reason: that they want to keep them part of the developments?

[108] **Ms Luxton:** I think that the farming unions are as aware as we are that the status quo is not an option. I just think that, politically, it is rather hard because most people would like the stability and security of having what they have now. In uncertain times you want to keep hold of what you have. I totally understand that attitude from the farming community. However, I think that we all know that that is not an option; it is not what is happening in the real world. Therefore, I do not think that that is the issue. From our perspective, I think that

the point is that farmers like schemes such as Tir Gofal: we have 1,000 farmers wanting to join the scheme and we have always had more farmers wanting to join the scheme than we have been able to get into it. They like this type of scheme and also, in an uncertain time, it provides a secure income. You sign up to the agri-environment scheme for five to 10 years, and whatever happens to the market, whether it goes up or down, whatever happens with the single payment, which could be decreasing, at least you know that you have quite a reliable income. As Hannah from the National Trust eloquently put it earlier, farmers want a number of different income streams to help balance their books. Therefore, agri-environment schemes are very popular for that reason, because they are a known amount for the future.

[109] **Rhodri Glyn Thomas:** Yr ydych yn sôn am ewyllys wleidyddol ac arweiniad gwleidyddol—ond i fod yn onest, credaf eich bod wedi cyfeirio at ddiffyg ewyllys ac arweiniad gwleidyddol, gan ddweud bod angen mwy o hynny i symud y broses ymlaen. Yr ydych hefyd wedi dweud bod llawer o bobl sydd yn gweithio o fewn y sector yn teimlo'r wasgfa ariannol ac yn awyddus i gadw eu gafael ar yr hyn sydd ganddynt yn hytrach na symud i gyfeiriad newydd. Sut mae symud y broses hon ymlaen? Ai mater o gyfaddawd ydyw, neu a deimlwech eto, o nodi'r pwyslais a roddasoch ar y sefyllfa argyfyngus a'r angen i fynd i'r afael â'r problemau hyn, mai mater o fwrw ymlaen gyda'r cynllun hwn ydyw, hyd yn oed os nad yw pawb yn barod i'w gefnogi yn dwymgalon?

Rhodri Glyn Thomas: You talked about political will and political leadership—but to be honest, I think that you referred to a lack of political will and leadership, saying that we need more of it to move this process forward. You have also said that many people who work within the sector are feeling the pinch and are keen to keep a hold of what they already have rather than to move to a new direction. How do we move this process forward? Is it a matter of compromise, or do you feel, once again, from noting the emphasis that you placed on the urgent situation and the need to tackle these problems, that it is a matter of just pressing forward with this scheme, even if not everyone wholeheartedly supports it?

12.00 p.m.

[110] **Ms Luxton:** I do not underestimate the difficulty of the need to communicate this politically, but I do not think that you have a choice. I also think that the best interests of Welsh farming and the environment will be served by getting a new suite of agri-environment schemes that can be shown to deliver environmental outputs. From an environmental perspective, we need farmers farming the hills. If we lose that, we will not be able to secure biodiversity gains, for example, carbon benefits and water management. Our landscape needs to be farmed, and we have to look at what is in the long-term best interests of farming in Wales. There are difficult times ahead, and we have to find ways—and we have to be creative in this—of paying those farmers to deliver the environmental and other, wider public goods that we need, so that those farmers who are prepared to farm in such a way as to deliver those goods can receive public support. I do not believe that it should be that difficult to re-angle this support to achieve that. It is not beyond our wit to do it; we should be able to do it. The 2020 report that Jeff was involved in along with many other stakeholders set out where we needed to be. It did not pull any punches with regard to the challenges ahead. We seem to have somehow lost sight of that rather good report in recent times. It brought a whole wealth of environmental and industry stakeholders together to paint a picture of 2020, and I think that we need to keep that in mind.

[111] **Mr Davies:** I agree. It is really a matter of ensuring that the resources are directed to the right places and are used most effectively to deal with the priority issues that we need to deal with.

[112] **Alun Davies:** Diolch yn fawr am **Alun Davies:** Thank you for the evidence

eich tystiolaeth y bore yma. Fel y dywedais, bydd cofnod o'r sesiwn hon ar gael yr wythnos nesaf. Yr ydym yn gobeithio adrodd ar y pwnc hwn cyn y Nadolig.

that you have given this morning. A transcript of this session will be available next week. We hope to report on this subject before Christmas.

12.02 p.m.

Papurau i'w Nodi Papers to Note

[113] **Alun Davies:** Cyn inni symud ymlaen at yr eitem olaf y bore yma, gofynnaf i Aelodau nodi'r llythyr yr ydym wedi'i dderbyn gan y Gweinidog yn dilyn y sesiwn a gawsom gyda hi ar ddechrau'r mis.

Alun Davies: Before we move on to the final item this morning, I ask Members to note the letter that we have received from the Minister following the session that we had with her at the beginning of the month.

Ymchwiliad i Gynhyrchu Bwyd yng Nghymru: Papur Cwmpasu Inquiry into Food Production in Wales: Scoping Paper

[114] **Alun Davies:** Os nad oes gan unrhyw un fater llosg i'w godi ynghylch y papur hwn, gofynnaf ichi ystyried y papur yn ystod yr wythnos nesaf, ac os oes gennych unrhyw sylwadau i'w gwneud wedyn, gofynnaf ichi eu hanfon ataf. Yr wythnos nesaf, byddwn yn derbyn y papur, a byddwn yn symud ymlaen gyda'r ymchwiliad yn y tymor newydd.

Alun Davies: If no-one has a burning issue to raise in relation to this paper, I will ask you to look at it over the next week. If you then have any comments to make, please send them to me. Next week, we will accept the paper, and we will progress with the inquiry in the new term.

[115] Cynhelir cyfarfod nesaf yr is-bwyllgor hwn ar 11 Rhagfyr, pan fyddwn yn trafod y dystiolaeth yr ydym wedi'i derbyn yn ystod yr ymchwiliad hwn. Atgoffaf Aelodau y byddwn yn cyfarfod ddydd Llun nesaf, 1 Rhagfyr, yn Ffair Aeaf Frenhinol Cymru, i lansio ein hymchwiliad nesaf, sydd ar gynhyrchu bwyd yng Nghymru. Diolch yn fawr ichi.

The next meeting of this sub-committee will be on 11 December, when we will discuss the evidence that we have received during this inquiry. I remind Members that we will meet next Monday, 1 December, in the Royal Welsh Winter Fair, to launch our next inquiry, which is on food production in Wales. Thank you.

*Daeth y cyfarfod i ben am 12.03 p.m.
The meeting ended at 12.03 p.m.*