



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

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

**Dydd Mercher, 28 Ebrill 2010  
Wednesday, 28 April 2010**

**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.

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.

**Aelodau'r is-bwyllgor yn bresennol**  
**Sub-committee members in attendance**

Michael German	Democratiaid Rhyddfrydol Cymru Welsh Liberal Democrats
Rhodri Glyn Thomas	Plaid Cymru (Cadeirydd yr Is-bwyllgor) The Party of Wales (Sub-committee Chair)
Joyce Watson	Llafur Labour
Brynle Williams	Ceidwadwyr Cymreig Welsh Conservatives

**Eraill yn bresennol**  
**Others in attendance**

Wynfford James	Cynulliad Cenedlaethol Cymru Welsh Assembly Government
Elin Jones	Aelod Cynulliad, Plaid Cymru, y Gweinidog dros Faterion Gwledig Assembly Member, Plaid Cymru, the Minister for Rural Affairs
Rory O'Sullivan	Cynulliad Cenedlaethol Cymru Welsh Assembly Government

**Swyddogion Cynulliad Cenedlaethol Cymru yn bresennol**  
**National Assembly for Wales officials in attendance**

Aled Elwyn Jones	Clerc Clerk
Meriel Singleton	Dirprwy Glerc Deputy Clerk

*Dechreuodd y cyfarfod am 9.02 a.m.*  
*The meeting began at 9.02 a.m.*

**Cyflwyniad, Ymddiheuriadau a Dirprwyon**  
**Introduction, Apologies and Substitutions**

[1] **Rhodri Glyn Thomas:** Croeso i'r cyfarfod hwn o'r Is-bwyllgor Datblygu Gwledig, a chroeso i'r Gweinidog a'i swyddogion. Mae Wynfford James gyda hi ar gyfer y sesiwn gyntaf ac yna tybiaf y bydd Rory O'Sullivan yma ar gyfer y ddwy sesiwn sy'n dilyn, ar Glastir ac ar y polisi amaethyddol cyffredin. Nid ydym yn disgwyl ymarfer tân, felly os bydd argyfwng, dilynwch gyfarwyddiadau'r tywyswyr. Mae angen diffodd unrhyw offer trydanol, fel ffonau symudol, *paggers*, BlackBerrys ac yn y blaen; nid yw'n ddigon bod y sain wedi'i ddiffodd, gan eu bod yn effeithio ar yr offer darlledu. Mae'r Cynulliad Cenedlaethol yn gweithredu drwy gyfrwng y Gymraeg a'r

**Rhodri Glyn Thomas:** Welcome to this meeting of the Rural Development Sub-committee; I welcome the Minister and her officials. Wynfford James is with her for the first session and I suspect that Rory O'Sullivan will be here for the following two sessions, on Glastir and on the common agricultural policy. We are not expecting a fire drill, so if there is an emergency, please follow the ushers' instructions. Please switch off any electronic equipment, such as mobile phones, pagers, BlackBerrys and so on; it is not sufficient for them to be in 'silent' mode, as they interfere with the broadcasting equipment. The National Assembly operates through the media of Welsh and English, so

Saesneg, felly mae clustffonau ar gael i dderbyn cyfieithiad, ar sianel 1, ac, os oes angen, i chwyddleisio'r sain, ar sianel 0. Nid oes angen cyffwrdd â'r meicroffonau, gan y byddant yn gweithredu'n awtomatig.

headphones are available for translation, on channel 1, and, if necessary, to amplify the sound, on channel 0. You do not need to touch the microphones, as they operate automatically.

[2] Dyma'r cyfarfod olaf y bydd Gemma Bright gyda ni. Diolch i Gemma am ei holl waith. Mae'n mynd i weithio i'r Llywodraeth—nid wyf yn siŵr a yw hynny'n ddyrchafiad. Yr ydym wedi gwerthfawrogi'n fawr iawn y gwaith yr wyt wedi'i gyflawni i'r is-bwyllgor hwn.

This is the final meeting for Gemma Bright. I thank Gemma for all her work. She is going to work for the Government—I am not sure whether that is a promotion. We have very much appreciated the work that you have done for this sub-committee.

[3] Heddiw, byddwn yn clywed gan y Gweinidog dros Faterion Gwledig ar yr ymchwiliad i'r diwydiannau gwin, cwrw, seidr a gwirodydd yng Nghymru. Wedyn byddwn yn symud ymlaen i ystyried Glastir a'r ymchwiliad i ddiwygio polisi amaethyddol cyffredin y Gymuned Ewropeaidd. Ymddiheuriadau, Weinidog—bydd y sesiwn yn eithaf hir a manwl, ond yr ydym yn gwerthfawrogi eich presenoldeb yn fawr iawn y bore yma.

Today, we will hear from the Minister for Rural Affairs on the inquiry into the wine, beer, cider and spirits industries in Wales. We will then move on to consider Glastir and the inquiry into reforming the European Union's common agricultural policy. Apologies, Minister—this will be quite a lengthy and detailed session, but we very much appreciate your presence this morning.

9.05 a.m.

### **Ymchwiliad i'r Diwydiannau Gwin, Cwrw a Seidr: Craffu ar Waith y Gweinidog**

#### **Inquiry into the Wine Beer and Cider Industry: Scrutiny of the Minister**

[4] **Rhodri Glyn Thomas:** Dechreuwn â'r ymchwiliad i'r diwydiannau gwin, cwrw a seidr. A hoffech wneud sylwadau agoriadol cryno, Weinidog? Symudwn at gwestiynau'r Aelodau wedyn.

**Rhodri Glyn Thomas:** We will start with the inquiry into the wine, beer and cider industries. Would you like to make a few brief opening comments, Minister? We will then move to questions from Members.

[5] **Y Gweinidog dros Faterion Gwledig (Elin Jones):** Nid oes gennyf sylwadau penodol i'w gwneud ar y sector hwn. Fodd bynnag, atgoffaf yr is-bwyllgor fy mod ar hyn o bryd yn gweithio gyda'r Bartneriaeth Cyngori ar Fwyd a Diod, a'r cadeirydd, Dr Haydn Edwards, ar ddarparu strategaeth fwyd a diod newydd i Gymru. Felly, bydd y gwaith yr ydych chi fel is-bwyllgor yn ei wneud, o'i amseru yn iawn, yn fuddiol inni fel Llywodraeth, ac, mae'n siŵr, i'r Dr Haydn Edwards, wrth ystyried rôl y sector hwn o fewn y strategaeth ehangach ar gyfer y sector bwyd a diod yng Nghymru.

**The Minister for Rural Affairs (Elin Jones):** I do not have any specific comments to make on this sector. However, I remind the sub-committee that I am currently working with the Food and Drink Advisory Partnership, and its chair, Dr Haydn Edwards, on developing a new food and drink strategy for Wales. Therefore, the work that you are carrying out as a sub-committee, if timed correctly, will be beneficial to us as a Government, and, I am sure, to Dr Haydn Edwards, in considering the role of this sector within the broader strategy for the food and drink sector in Wales.

[6] **Rhodri Glyn Thomas:** Diolch,

**Rhodri Glyn Thomas:** Thank you, Minister.

Weinidog. Gofynnaf y cwestiynau cyntaf.

I will ask the first questions.

[7] Mae rhyw fath o adfywiad wedi bod yn y diwydiant o ran cynhyrchu cwrw, seidr a gwirodydd yng Nghymru dros y blynyddoedd diwethaf. Fodd bynnag, mae'r dystiolaeth yr ydym wedi ei derbyn fel is-bwyllgor yn awgrymu bod y cyfnod diweddaraf wedi bod yn un anodd. O fewn y cyd-destun hwnnw, gwyddom fod problemau yn wynebu tafarndai, ac yn y blaen, a'u bod yn ei chael yn anodd i sicrhau elw digonol i barhau i fodoli ar hyn o bryd. Beth yw'ch teimladau ynglŷn â'r sefyllfa ar hyn o bryd, a beth all y Llywodraeth ei wneud i hyrwyddo'r sector hwn?

There has been some sort of revival in the industry in terms of producing beers, ciders and spirits in Wales over recent years. However, the evidence that we have received as a sub-committee suggests that the latest period has been a difficult one. Within that context, we know that there are problems facing pubs, and so on, and that they are finding it difficult to ensure a sufficient profit to continue to exist at present. What are your feelings about the current situation, and what can the Government do to promote this sector?

[8] **Elin Jones:** O ran y sefyllfa bresennol, yn economaidd, mae'r 18 mis i ddwy flynedd ddiwethaf wedi bod yn her i'r sector bwyd a diod yn gyffredinol yng Nghymru, ac, yn enwedig, efallai, yr agweddau hynny ar y sector sy'n anelu at y farchnad gwerth uwch. Mae canran eithaf sylweddol o'r sector hwn yn anelu at y farchnad gwerth uwch honno. Yr wyf wedi fy nghalonogi gan faint o fusnesau unigol sydd wedi datblygu ar hyd a lled Cymru dros y bum mlynedd ddiwethaf yn cynhyrchu cwrw, gwinoedd a seidr. Mae'n amlwg bod diddordeb hefyd gan gwsmeriaid—yr ydym yn ymwybodol o hynny yn y sector bwyd a diod yn fwy cyffredinol—mewn prynu bwydydd a diodydd lleol. Mae'r farchnad a'r cynhyrchwyr, felly, wedi ymateb i hynny, gan fod mwy a mwy o fusnesau unigol wedi datblygu ar hyd a lled Cymru.

**Elin Jones:** On the current situation, economically, the past 18 months to two years have been challenging for the food and drink sector as a whole in Wales, and, particularly, perhaps, those aspects of the sector that are targeted at the higher value market. Quite a large percentage of this sector is targeted at that higher value market. I have been encouraged by the number of individual businesses that have developed across Wales over the past five years producing beer, wines and cider. It is clear that customers are also interested—we are aware of that in the food and drink sector more generally—in buying locally produced food and drink. The market and producers have, therefore, responded to that, as more and more individual businesses have been established the length and breadth of Wales.

[9] Yr wyf yn siŵr bod pob aelod o'r is-bwyllgor yn ymwybodol o'r math hyn o fusnesau yn datblygu yn eu gwahanol etholaethau; mae hynny'n sicr yn digwydd yn fy etholaeth i. Mae'r busnesau meicro hyn wedi datblygu dros y bum mlynedd ddiwethaf. Mae rhai ohonynt wedi torri drwodd i farchnad genedlaethol yng Nghymru, ac mae eraill yn parhau i weithredu yn fwy lleol. Yr her i ni fel Llywodraeth yw rhoi rhywfaint o gymorth technegol i'r busnesau hynny wrth iddynt ystyried tyfu cnydau; mae rhai ohonynt yn tyfu afalau ar gyfer y diwydiant seidr, ac yn y blaen. Mae angen inni hefyd ystyried sut y gallwn eu cynorthwyo i farchnata eu cynnyrch, i werthu'n uniongyrchol i

I am sure that every sub-committee member is aware of these sorts of businesses developing in their constituencies; that is certainly the case in my constituency. These microbusinesses have developed over the past five years. Some of them have broken through into the national market in Wales, and others continue to operate more locally. The challenge for us as a Government is to give some technical assistance to those businesses as they consider growing crops; some of them grow apples for the cider industry, and so on. We also need to consider how we can assist them to market their produce, to sell directly to the supermarkets, or to sell outside Wales. We have a role as a Government to provide that support, as we do

archfarchnadoedd, neu i werthu y tu hwnt i Gymru. Mae rôl i ni fel Llywodraeth o ran rhoi'r cymorth hwnnw, fel yr ydym yn ei wneud i'r sector bwyd a diod yn fwy cyffredinol.

[10] Ni wn a yw Wynfford eisiau ychwanegu rhywbeth at hynny.

[11] **Mr James:** Fel y mae'r Gweinidog wedi ei amlinellu, mae tystiolaeth i ddangos bod y sector ar hyn o bryd, o ran nifer y bragdai a'r cynhyrchwyr seidr yn benodol, mewn cyflwr gwell nag y mae wedi bod ers nifer o flynyddoedd.

9.10 a.m.

[12] O ran y cymorth y mae'r Llywodraeth yn ei ddarparu i'r sector, mae cymorth ariannol yn cael ei roi i wyliau sy'n ymwneud â'r sector hwn. Yr ydym yn cyfrannu tua £63,000 ar gyfer pedair gŵyl benodol. Mae'r is-bwyllgor yn ymwybodol bod dros 52 o ffeiriau bwyd, ac eto mae cymorth ariannol yn cael ei ddarparu o dan rhaglen y cynllun datblygu gwledig ar gyfer y ffeiriau hynny. Hefyd o dan y cynllun datblygu gwledig mae buddsoddiad ar gyfer rhaglenni penodol i ddatblygu'r sector, gyda buddsoddiad o £388,000 ar gyfer cynllun effeithlonrwydd y gadwyn gyflenwi sy'n cael ei reoli gan Gymdeithas Perry a Seidr Cymru. Felly, o dan y cynllun datblygu gwledig, mae cefnogaeth o'r ochr farchnata, a hefyd, fel mae'r Gweinidog wedi'i ddweud, mae cefnogaeth ar yr ochr gynhyrchu hefyd. Felly, rhwng y ffeiriau unigol, y ffeiriau cyffredinol a'r marchnata, bu cryn dipyn o fuddsoddiad yn ystod y blynyddoedd diwethaf, yn ychwanegol at y cymorth sydd ar gael i gynhyrchwyr drwy grantiau marchnata a phrosesu o dan y cynllun datblygu gwledig, a hefyd o'r gronfa fuddsoddi sengl.

[13] **Rhodri Glyn Thomas:** Bydd Mike German yn gofyn cwestiynau penodol ynglŷn â'r cymorth, ond i ddilyn yr hyn a ddywedoch, ymddengys i mi, o'r hyn y mae'r Gweinidog a Wynfford James wedi'i ddweud, eich bod yn gosod cryn bwys ar y brand Cymreig a'r ffaith fod cynifer o gynhyrchwyr yn bodoli yn y maes hwn, sef cynhyrchwyr cwrw, seidr, gwin a gwirodydd—er mai un cynhyrchydd

to the food and drink sector more generally.

I do not know whether Wynfford wishes to add anything to that.

**Mr James:** As the Minister has outlined, there is evidence to suggest that the sector at present, in terms of the number of breweries and cider producers specifically, is in a better condition than it has been for many years.

On the assistance that the Government provides to the sector, financial assistance is given to festivals that are involved in this sector. We contribute around £63,000 to four specific festivals. The sub-committee is aware that there are over 52 food fairs, and again financial assistance is provided under the rural development plan programme for those fairs. Also under the RDP, there is investment in specific programmes to develop the sector, with an investment of £388,000 for the supply chain efficiency scheme that is managed by the Welsh Perry and Cider Society. Therefore, under the rural development plan, there is support on the marketing side, and, as the Minister has already said, there is the support on the production side as well. So, between the individual fairs, general fairs and the marketing, a lot of investment has taken place over recent years, in addition to support that is available to producers through processing and marketing grants under the rural development plan, and also from the single investment fund.

**Rhodri Glyn Thomas:** Mike German will ask some specific questions regarding the assistance, but to follow up on what you said, it appears to me, from what both the Minister and Wynfford James have said, that you place a great deal of importance on the Welsh brand and the fact that there are so many producers currently in existence in this sector, namely producers of beer, cider, wine and spirits—although there is currently only

gwirodydd sydd yng Nghymru ar hyn o bryd. Fodd bynnag, nid oes, hyd y gwn, unrhyw ystadegau swyddogol ynglŷn â maint y cynhyrchu sy'n digwydd yng Nghymru. Onid ydych yn credu eich bod angen yr ystadegau hynny, ac oes unrhyw fwriad gennych i sicrhau eu bod ar gael i'r dyfodol?

one spirits producer in Wales. However, as far as I know, there are no official statistics on the scale of production in Wales. Do you not believe that you need those statistics, and do you have any intention of ensuring that they are available for the future?

[14] **Elin Jones:** Ni fyddwn yn dweud ein bod wedi'n argyhoeddi ei fod yn flaenoriaeth i ni i sicrhau'r ystadegau hynny, oherwydd mae casglu ystadegau yn golygu elfen o fïwrocratiaeth i'r Llywodraeth ac i'r busnesau. Nid wyf yn dweud na fyddwn yn ystyried hynny ymhellach, ond, ar hyn o bryd, nid yw'n flaenoriaeth o ran ein cefnogaeth ni i'r diwydiant. Gyda llaw, mae un cynhyrchydd gwirodydd arall yn datblygu yn y gorllewin. Darganfûm Vodka Gwridog yn ddiweddar yng Ngheredigion, felly mae dau erbyn hyn.

**Elin Jones:** I would not say that we have been convinced that it was a priority for us to ensure that those statistics are available, because collating statistics means an element of bureaucracy for the Government and for businesses. I am not saying that I would not consider that further, but, at present, it is not a priority in terms of our support for the industry. By the way, there is one other producer of spirits being developed in west Wales. I discovered Vodka Gwridog recently in Ceredigion, so there are two by now.

[15] **Rhodri Glyn Thomas:** Ni ofynnaf i chi, Weinidog, sut y daethoch chi ar draws vodka yn Ngheredigion. Gadawn hynny i ddychymyg pawb.

**Rhodri Glyn Thomas:** I will not ask, Minister, how you discovered vodka in Ceredigion. We will leave that to everyone's imagination.

[16] **Brynle Williams:** Tybed a oes posibilrwydd y gallai'r ystadegau hyn gael eu cynnwys ar y ffurflenni mis Mehefin y disgwylir i bob ffarmwr ei darparu? Byddai hynny'n rhoi rhyw amcan i'r Llywodraeth ac i ni o beth yw'r sefyllfa ar dyfiant perllannau ac yn y blaen. Nid wyf yn siŵr os yw hynny ar y ffurflenni yn barod, ond efallai y gallai hynny helpu mewn rhyw ffordd.

**Brynle Williams:** I wonder whether these statistics could be provided on the June returns, which farmers are expected to provide? That could give the Government and us some idea of the situation in terms of the growth in the number of orchards and so on. I do not know if that is included on these returns already, but perhaps that would help in some way.

[17] **Elin Jones:** Nid wyf yn gwybod yr union fanylion sydd ar y ffurflenni hynny ar hyn o bryd; yr ydych siŵr o fod yn gwybod yn well na fi, Brynle. Wrth i ni ddatblygu Glastir, a chan fod elfennau penodol yn Glastir ynglŷn â pherllannau, mae'n bosibl y gallwn fonitro twf mewn perllannau yn well nag y gwnawn ar hyn o bryd.

**Elin Jones:** I do not know the exact details of what is on those returns at present; you probably know better than I do, Brynle. As we develop Glastir, and as there are specific elements within Glastir regarding orchards, perhaps we will be able to monitor the growth of orchards better than we currently do.

[18] **Michael German:** On your support for Welsh drinks festivals, what is the total amount of money that you put into those four festivals, and how exactly is that support spread around and what do you do with it? What is the nature of that support?

[19] **Elin Jones:** The support in total is around £63,000 a year; I have seen that figure somewhere. I am sure that Wynfford can give you an indication of how that is spent.

[20] **Mr James:** That figure of £63,000, to which the Minister has just referred, is for four festivals, and those are the Great Welsh Beer and Cider Festival, the Monmouthshire Pear and

Perry Festival and the Welsh Perry and Cider Festival, the west Wales beer festival and the Cider, Perry and Local Produce Festival. It is quite a task to go around them all in one year. That money is specifically for those festivals. However, in addition to that, there is a major supply chain efficiency scheme, funded under the RDP programme for the 52 food festivals across Wales. Producers from the sector will have an opportunity at most of those festivals to market their products. That is across the whole food and drink sector.

[21] **Michael German:** How much does the supply chain efficiency scheme provide in the drinks sector?

[22] **Mr James:** With regard to the food festival, the scheme is not specific to this sector. It is for the food and drink sector for all the festivals. However, the figure of £63,000 is specific to festivals for wine, beer and cider.

[23] **Michael German:** That goes to the festival organisers does it?

[24] **Mr James:** Yes.

[25] **Michael German:** However, we do not know the figure for the supply chain efficiency scheme for the drinks sector as a whole, do we?

[26] **Mr James:** No, the contribution is towards the festival itself.

[27] **Michael German:** You said that there was an additional sum of money for the supply chain efficiency scheme. So, of the total funding for the supply chain efficiency scheme, which goes across the whole food and drink sector, how much is for food and how much is for drink?

[28] **Mr James:** It is not allocated in that way.

[29] **Michael German:** Do you know the figures?

[30] **Mr James:** There would not be a figure specifically for the drinks sector. Individual food festivals make an application for funding support for the festival. Depending on the nature of the festival, some will focus more specifically on the drinks sector than others.

[31] **Michael German:** Turning to the issue of the True Taste awards, there is just one for alcoholic drinks. Do you think that it is time to have a more diverse range of awards?

[32] **Elin Jones:** We have undertaken a review of the True Taste awards more generally. As it happens, the awards for 2010 will split the category into three sections. One will be for non-alcoholic drinks, one for beer, cider and perry, and the other for wine, spirits and others. So, we have recognised that the sector is stronger and more diverse and therefore deserving of more specialised sub-sectors in terms of the judging of the awards and the comparison of various products.

[33] **Michael German:** That is very good news. In the data that you provided to us, you detail 18 projects that have been supported in the beer, cider, wine and spirits industries in Wales. There is only one in the wine sector and one in the spirits sector—or one of two, as you rightly say. Is this the case in the wine and spirits sectors simply because we do not have enough demand for expansion or is it that the projects do not meet investment grant criteria?

[34] **Elin Jones:** It is probably a general indication of the relative size of the various sectors. Obviously, this is application-based funding, so, if we are not getting applications, we would not even be considering awarding the money. Perhaps Wynfford can say something



about the number of applications that have been rejected or that have not met the criteria.

[35] **Mr James:** I think that what the Minister has said is a true reflection of the situation. They are eligible to apply for a processing and marketing grant and funding from the supply chain efficiency scheme under those criteria. If they are not eligible under those criteria, they can make an application under the single investment fund. The statistics that you have reflect the activity in the sector rather than it being the case that they have been unable to meet the criteria for grant support.

[36] **Rhodri Glyn Thomas:** Symudwn **Rhodri Glyn Thomas:** We will now move to ymlaen at gwestiynau ar weithio ar y cyd gan questions on joint or collaborative working Joyce Watson. from Joyce Watson.

[37] **Joyce Watson:** The sub-committee has heard evidence that better bottling facilities are needed in Wales. What consideration have you given to reassessing the demand for a new Welsh bottling plant?

[38] **Mr James:** A study was done in 2006 on the feasibility of that. At the time, it was not considered to be a viable project. We have not conducted a further study since then, but we hope that working with the sector—particularly our regional food and drink managers, and through the supply chain efficiency scheme that has been allocated to the Welsh Cider and Perry Society—will be a mechanism to reconsider that issue. If there is an indication that we should revisit the 2006 study, that would be the appropriate time to do so.

9.20 a.m.

[39] **Joyce Watson:** Following on from that, what steps are you taking to promote some collaborative working in the beer, wine and spirit industries in Wales?

[40] **Elin Jones:** The fact that the cider and perry part of the sector has developed a supply chain efficiency project to promote and develop the sector is a good indication that producers are working together. I am not aware of how the beer sector is working together, but you may—

[41] **Mr James:** The Welsh wine week is one of the opportunities to ensure that there is collaboration in the sector when it comes to promotion. One or two companies are already working together. For instance, the Real Welsh Trading Company Ltd is using Merlyn liqueur to produce Welsh whisky-flavoured ice creams. The clear focus of the investment in the supply chain efficiency scheme under the rural development plan is more collaborative working across the sector, and this sector in particular reflects that work.

[42] **Elin Jones:** Like all other sectors within the food and drink industry, we would want to promote the concept of collaboration across the sector and between businesses in the sector. So, we will be looking at opportunities for businesses to come to us with ideas on how they think that they can strengthen their individual businesses in collaboration with others.

[43] **Rhodri Glyn Thomas:** Trown yn **Rhodri Glyn Thomas:** We now turn to the awr at y cyfleoedd sydd ar gael i gynyddu opportunities that are available to increase cynhyrchu sylfaenol yng Nghymru. primary production in Wales.

[44] **Brynle Williams:** What is the Welsh Assembly Government doing to support the development of hop and barley production in Wales?

[45] **Elin Jones:** Mae cefnogaeth **Elin Jones:** Technical support, as it were, is dechnegol, megis, ar gael drwy Cyswllt available through Farming Connect for those

Ffermio ar gyfer ffermwyr sydd â diddordeb mynd i mewn i'r meysydd hyn am y tro cyntaf. Wrth i nifer o'n ffermydd golli eu harbenigedd o ran tyfu cynydau dros y blynyddoedd, mae'n bwysig cefnogi ffermwyr sydd â diddordeb yn y maes. O dan Cyswllt Ffermio, mae gennym gysylltiad â'r Ganolfan Defnydd Tir Amgen, ac mae'r wybodaeth a'r cyngor y mae'r ganolfan yn gallu eu rhoi yn bwysig iawn.

[46] Hoffwn dynnu eich sylw hefyd, fel y gwneuthum gynnau, at y gefnogaeth benodol a fydd o dan Glastir ar gyfer datblygu perllannau yng Nghymru. Gallai hynny fod o fudd penodol i'r sawl sydd â diddordeb yn y diwydiant seidr a pheri. Wrth gwrs, yr ydym hefyd yn gwybod bod gan rai gwneuthurwyr a bragwyr cwrw ddiddordeb penodol mewn gweithio â ffermwyr a thirfeddianwyr i ddatblygu barlys a hopys yng Nghymru, a hynny er mwyn gwerthu eu cynnyrch fel cynnyrch gyfan gwbl Cymreig, yn lle gorfod mewnforio'r fath gynnyrch o'r tu allan i Gymru. Efallai eich bod yn gwybod am enghreifftiau o hynny; yr wyf innau yn sicr. Am y tro cyntaf ers sbel, mae gan fragwyr ddiddordeb mewn creu'r cysylltiadau gyda ffermwyr i hyrwyddo'r tyfiant o gynydau penodol er mwyn cynhyrchu eu cwrw.

[47] **Brynle Williams:** A oes lle i'r Llywodraeth chwarae rhan yma? Gan fod y diwydiant yn weddol fach, yn enwedig y bragdai lleiaf hyn, bydd angen gwybod pwy sy'n tyfu'r haidd ac yn y blaen. Yn sicr, mae haidd yn gnwd arbenigol iawn. Mae rôl i'r Llywodraeth, neu'r adran hybu bwyd yn y maes hwn.

[48] **Elin Jones:** Byddwn yn sicr yn gobeithio bod yr agwedd sydd gennym o dan Cyswllt Ffermio yn gweithio gyda'r adran fwyd a diod, os bydd angen creu partneriaethau. Gallaf enwi un partneriaeth i chi yng Ngheredigion rhwng y bragdy lleol a'r brifysgol yn Aberystwyth, sydd â thir a fferm. Mae'r cysylltiad hwnnw wedi'i wneud, er nad wyf yn honni mai'r Llywodraeth a'i gwnaeth, ac mae cynydau yn cael eu tyfu'n awr er mwyn bragu cwrw yn lleol. Gobeithiaf y gallwn edrych, fel Llywodraeth ac fel diwydiant ar ei amryfurf, ar ffyrdd o hyrwyddo'r cysylltiadau hynny'n well yng Nghymru.

who are interested in moving into that kind of production for the first time. As many farms have lost their expertise in growing crops over the years, it is important that we support farmers who are interested in entering that area. Under Farming Connect, we have a association with the Centre for Alternative Land Use, and the information and advice that it can provide are very important.

I also draw your attention, as I did earlier, to the specific support that is available under Glastir for developing orchards in Wales. That could be of specific benefit to anyone who is interested in the cider and perry industry. Of course, we are also aware of the fact that some beer producers and brewers are interested specifically in working with farmers and landowners to develop barley and hops grown in Wales, which would mean that they could market their produce as entirely Welsh products, rather than having to import such produce from outside Wales. Perhaps you will know of examples of that; I certainly do. For the first time in a long while, brewers are interested in forging those connections with farmers to promote the growth of specific crops for the production of their beers.

**Brynle Williams:** Is there a role for the Government to play here? Given that this is a relatively small industry, particularly the microbreweries, we will need to know who is growing the barley and so on. Barley is certainly a specialist crop. There is a role for the Government, or the food promotion department in this regard.

**Elin Jones:** I would certainly hope that the element that we have under Farming Connect will work with the food and drink department if there is a need to forge partnerships. I can name one partnership in Ceredigion between a local brewery and the university at Aberystwyth, which has some land and a farm. That link-up has been made, although I am not claiming that it was made through the Government, and crops are now being grown for the brewing of beer locally. I hope that we, as a Government and as an industry in all its forms, can look at ways of promoting those particular links more effectively here in Wales.

[49] **Rhodri Glyn Thomas:** Trown yn awr at faterion trethiannol a'r Trysorlys. **Rhodri Glyn Thomas:** We now turn to issues of duty and the Treasury.

[50] **Michael German:** I know that duty is not your responsibility, but we have had concerns about the progressive duty on beer and cider, and I know, from your evidence, that some of those have been brought to your attention. Can you tell us whether you have had specific discussions with this sector about the issue? In addition, in paragraph 11 of your evidence, the last sentence states that you forward them on to Her Majesty's Treasury to consider. That gives the impression of your department being a kind of post box, with letters sent to you and you forwarding them on. Can you tell us whether you are being a bit more proactive than that paragraph suggests?

[51] **Elin Jones:** I will not pretend to you that I have held discussions directly with the Chancellor of the Exchequer on the matter of excise duty on beer and cider, but we are aware that some companies in Wales are concerned about this, and I understand that that concern has been passed on to your committee, too. Those representations have not therefore been made by me as a Minister to a Minister, but Wynfford might like to outline how those representations have been made, or whether it has been, as you have said—although hopefully not—like a post box.

[52] **Mr James:** There have been representations: the Minister has had two meetings with the other Ministers in the devolved administrations to look at the wider issues that impact on the food and drink sector, and there have also been representations at official level. Our involvement with the Department for Environment, Food and Rural Affairs in particular means that we have been able to raise concerns about this issue, and hopefully those concerns have been taken forward.

[53] **Elin Jones:** As a Minister, I have received no direct representations from the sector itself on these issues, although my officials may have. However, when I have been going around various food festivals and meeting producers, it has not been raised directly with me, although I recognise that it is of concern to this sector.

[54] **Rhodri Glyn Thomas:** O ran bwriad y Trysorlys i gynyddu'r dreth ar seidr, er enghraifft, deallaf y bydd y cynnydd hwnnw'n bwrw'r cynhyrchwyr mwyaf. A yw hynny'n peri gofid i chi yng nghyd-destun datblygu'r diwydiant yng Nghymru, sef y bydd cynhyrchwyr yng Nghymru yn peidio â datblygu eu gweithgareddau oherwydd y byddant yn wynebu trethi uwch pe baent yn gwneud hynny? **Rhodri Glyn Thomas:** As regards the Treasury's intention to increase the duty on cider, for example, my understanding is that that increase will impact on the major producers. Is that a matter of concern for you, in the context of developing the industry in Wales, namely that producers in Wales will cease to advance their operations because they would face higher duties if they were to do so?

[55] **Elin Jones:** Yn gyffredinol, mae wastad yn peri pryder i mi os yw rhwystrau trethiannol yn golygu bod cynhyrchwyr yn penderfynu cwtogi ar eu twf fel busnes dim ond er mwyn cadw treth yn is. Felly, yn gyffredinol, mae hynny'n wir, pa un a yw hynny ynghylch y dreth hon neu unrhyw dreth arall. Nid wyf am honni fy mod yn arbenigwr ar rôl y dreth yn y sector hwn nac ar fanylder y dreth benodol hon, ond byddwn yn dweud bod y sector hwn, sy'n llai, yn **Elin Jones:** Generally, it is always a cause of concern for me if barriers in the form of taxation mean that producers decide to cut back on the growth of their business simply to keep taxes bracket. Therefore, generally, that is true, whether that is with regard to this duty or any other duty. I will not try to claim that I am an expert on the role of duty in this sector or on the detail of that specific duty, but I would say that this sector, which is smaller, is benefiting from the fact that the

elwa o'r ffaith bod y dreth yn is, felly mae'r mater o gonsŷrn.

duty is lower, and so it is a cause of concern.

9.30 a.m.

[56] Mae'n siŵr y byddai unrhyw agwedd ar y sector ac unrhyw fusnes unigol yn penderfynu peidio â datblygu ymhellach os yw'r cynnydd yn y dreth yn golygu na fyddai'n fanteisiol yn economaidd iddynt wneud hynny. Yr ydym eisiau gweld cwmnïau llai sydd wedi cychwyn fel bragdai meicro neu gynhyrchwyr bach seidr yn datblygu ymhellach ac yn dod yn frandiau sylweddol yn genedlaethol a thu hwnt i Gymru. Mae gwerth yn hyn i'r sawl sy'n gweithio yn y farchnad leol, ond gobeithiaf hefyd y gallwn ddatblygu enwau a chwmnïau yng Nghymru sy'n fusnesau a chyflogwyr sylweddol.

I am sure that any aspect of the sector and any individual business would decide not to develop further if the tax increase would mean that it was not economically advantageous for them to do so. We want to see some of the smaller companies that have started as microbreweries or small cider producers developing further and becoming major brands nationally and beyond the boundaries of Wales. This would be valuable for those who work in the market locally, but I also hope that we can develop brand names and companies in Wales that are major businesses and employers.

[57] **Rhodri Glyn Thomas:** Mae hwn yn ddatblygiad cymharol newydd. Credaf i'r dreth uwch ar seidr gael ei datgan mewn datganiad gan y Canghellor ym mis Mawrth. A fyddai modd ichi wneud rhywfaint o ymholiadau ynghylch effaith hyn ar y diwydiant, o ystyried ei fod yn ddiwydiant sy'n tyfu yng Nghymru? Hwyrach y gallem gael nodyn maes o law gennyh am yr effeithiau posibl ar y diwydiant yng Nghymru.

**Rhodri Glyn Thomas:** This is a relatively new development. I believe that the higher tax on cider was declared in a statement by the Chancellor in March. Could you make some inquiries to see what impact this could have on the industry, given that it is a growth industry in Wales? Perhaps we could receive a note from you in due course about the possible effects of this on the industry in Wales.

[58] **Elin Jones:** Mae gennyf ryw gof na chafodd y dreth honno ei gweithredu oherwydd i'r Senedd gael ei diddymu. Fodd bynnag, mae'n bosibl y daw yn ôl o dan Lywodraeth newydd.

**Elin Jones:** I have a vague recollection that that duty was not introduced because Parliament was dissolved. However, it is possible that it will come back under a new Government.

[59] **Rhodri Glyn Thomas:** Mae hwnnw'n bwynt teg, er ei fod hefyd yn bosibl y bydd Llywodraeth newydd yn penderfynu peidio â bwrw ymlaen â hi, ond dyna oedd bwriad y Canghellor.

**Rhodri Glyn Thomas:** That is a fair point, although it is also possible that a new Government will decide not to proceed with it, although that was the intention of the Chancellor.

[60] Symudwn at yr adran olaf o gwestiynau, sef cynllunio ymlaen.

We now move to the final section of questions, which is on forward planning.

[61] **Brynle Williams:** In your concluding remarks, Minister, you note that it is considered that climate change could benefit the Welsh industry, helping to increase quality and production. Have you made any assessment of the possibilities for growth in the Welsh wine sector?

[62] **Elin Jones:** Ai o ran tyfu grawnwin yng Nghymru yr ydych yn sôn, Brynle?

**Elin Jones:** Do you mean in relation to growing grapes in Wales, Brynle?

[63] **Brynle Williams:** Ie.

**Brynle Williams:** Yes.

[64] **Elin Jones:** Mae posibilrwydd cynyddol y gall y newid yn yr hinsawdd alluogi'r sawl sydd eisoes yn defnyddio tir yng Nghymru i ystyried tyfu grawnwin. Nid ydym wedi gwneud unrhyw asesiad penodol o sgôp hynny eto, ond mae diddordeb cynyddol gan unigolion i ddatblygu yn y maes hwn. Fodd bynnag, nid yw'r Llywodraeth wedi gwneud asesiad penodol hyd yma.

**Elin Jones:** There is an increasing possibility that climate change could enable those who already work the land in Wales to consider viticulture. We have not carried out any specific assessment of the scope for that, but there is growing interest from individuals in developing this area. However, the Government has not carried out a specific assessment to date.

[65] **Brynle Williams:** What plans do you have for future cross-departmental working to support the alcoholic drink sectors in Wales?

[66] **Elin Jones:** Dychwelaf at fy mhwynt cychwynnol, gan gyfeirio at y ffaith fy mod i, ar y cyd â'r bartneriaeth cyngori ar fwyd a diod o dan gadeiryddiaeth Dr Haydn Edwards, yn datblygu strategaeth bwyd a diod newydd i Gymru. Nid wyf wedi gweld unrhyw ddrafft o'r gwaith hwnnw eto, ond gobeithiaf y bydd gwaith y bartneriaeth yn edrych ar sut y byddai cydweithio ar draws adrannau'r Llywodraeth ac ar draws y sector yn fwy cyffredinol yn helpu busnesau unigol a'r sector cyfan yng Nghymru i elwa. Bydd y gyfran honno o'r strategaeth bwyd, gobeithio, yn ateb rhai o'r materion a godwyd gennyh, Brynle.

**Elin Jones:** I will return to the point that I made at the outset and refer to the fact that I, with the food and drink advisory partnership, under the chairmanship of Dr Haydn Edwards, am developing a new food and drink strategy for Wales. I have not seen any draft version of that strategy as of yet, but I hope that what emanates from that work by the partnership will look to see how cross-departmental working in Government, and across the sector more generally, could benefit individual businesses and the sector as a whole in Wales. That section of the food strategy will, hopefully, find solutions to some of the issues that you raised, Brynle.

[67] **Rhodri Glyn Thomas:** Teimlwn fod rôl benodol yma i weithredu ar draws portffolio mwy nag un Gweinidog. Gwnaethom gais i'r Dirprwy Brif Weinidog, yn rhinwedd ei rôl â chyfrifoldeb am ddatblygu economaidd, i ddod i gyflwyno tystiolaeth. Gwnaethom gais hefyd i gael Roger Pride, o Groeso Cymru, yma yn rhinwedd rôl Croeso Cymru wrth hyrwyddo'r brand Cymreig yn ei hysbysebion. Dywedwyd wrthym mai chi, Weinidog, yn y pen draw, a oedd â'r cyfrifoldeb yn y maes hwn. Mae'n amlwg ei fod yn rhan o gyfrifoldebau'r Dirprwy Brif Weinidog a'r Gweinidog dros Dreftadaeth. Byddem yn falch iawn o weld cydweithio yn y maes hwn yn y dyfodol.

**Rhodri Glyn Thomas:** We feel that there is a specific opportunity here for cross-departmental working. We invited the Deputy First Minister, in line with his role and responsibilities for economic development, to come to provide evidence. We also requested that Roger Pride from Visit Wales should come to give evidence on the role of Visit Wales in promoting the Welsh brand in its advertising campaigns. We were told that it was you, Minister, who was ultimately responsible for this area. Obviously, there are overlaps with the responsibilities of the Deputy First Minister and the Minister for Heritage. We would be eager to see collaboration in this particular area for the future.

[68] **Elin Jones:** Fi a fy adran sydd â'r cyfrifoldeb am gydweithio â chwmnïau unigol yn y sector hwn o ran eu twf fel cwmnïau a'u gweithgaredd hyrwyddo.

**Elin Jones:** I, and my department, are responsible for working with individual companies in this sector in terms of their growth as companies and their promotional

Weithiau, mae'n bosibl y bydd yr ariannu ar gyfer rhai o'r cynlluniau sydd ganddynt yn deillio o ariannu economaidd mwy cyffredinol—o adran y Dirprwy Brif Weinidog—ac mae hynny, yn ddo'i hun, yn enghraifft o Weinidogion a gweision sifil yn gweithio ar draws adrannau fel ein bod yn galw ar arian a chefnogaeth o ffynhonnell arall i hyrwyddo'r gwaith a wnawn o fewn yr adran hon. Ni wn a yw Wynfford yn dymuno dweud rhywbeth ychwanegol ynglŷn â brandio a'r cysylltiad rhwng y brand Cymreig, o ran twristiaeth, a bwyd, sydd yn faes ehangach.

[69] **Mr James:** I ychwanegu at yr hyn mae'r Gweinidog eisoes wedi ei nodi ynglŷn â swyddogaeth yr adran, yr ydym ni fel swyddogion yn gweithio ar draws adrannau ac, yn arbennig, ar hyn o bryd, yn bwydo i fewn i'r strategaeth y cyfeiriodd y Gweinidog ati. Yr ydych hefyd wedi cyfeirio at dwristiaeth. Yr ydym yn gweithio ar y strategaeth a lansiwyd gan y Gweinidog ar dwristiaeth bwyd; felly, ceir cydblethu ar draws adrannau, gyda swyddogion yn cydweithio â'i gilydd i fwydo i mewn i gyfrifoldeb yr adran a'r Gweinidog.

[70] **Rhodri Glyn Thomas:** Diolch. Mae'n dda gweld bod rhai o egwyddorion sylfaenol cytundeb 'Cymru'n Un' ar waith yn y Llywodraeth. Yr oedd yr angen i gydweithio rhwng adrannau yn rhywbeth a oedd yn sylfaenol i'r cytundeb hwnnw.

[71] Hoffwn nodi ar ddiwedd y sesiwn hon ein bod wedi derbyn tystiolaeth ysgrifenedig gan Nick Bourne. Bu Nick Bourne a Jeff Cuthbert, cyd-gadeiryddion y grŵp amlbleidiol ar y maes hwn, yn ein cynorthwyo gyda'n hymchwiliad. Byddwch wedi derbyn y dystiolaeth gan Nick Bourne. Tybiaf ei bod yn dystiolaeth ar y cyd rhwng Nick a Jeff, gan fod cyfeiriadau felly yn y dystiolaeth.

[72] Diolch i Wynfford James am ei gyfraniad.

9.38 a.m.

activities. On occasion, it is possible that funding for some of their schemes will come from more general economic investment—from the Deputy First Minister's department—and that, in itself, is an example of Ministers and civil servants working in a cross-departmental way so that we can draw on funding and support from another source to support our work within this department. I do not know whether Wynfford has anything to add regarding branding and the linkage between the Welsh brand, in terms of tourism, and food, which is a broader area.

**Mr James:** To add to what the Minister has already noted regarding the functions of the department, we as officials are working on a cross-departmental basis and, at present, in particular, we are feeding into the strategy that the Minister mentioned. You also referred to tourism. We are working on the strategy that was launched by the Minister on food tourism; therefore, there is co-operation across departments, with officials working together to feed into the responsibilities of the department and the Minister.

**Rhodri Glyn Thomas:** Thank you. It is pleasing to see that some of the general principles of the 'One Wales' agreement are being implemented within the Government. The need to work on a cross-departmental basis was fundamental to that agreement.

I wish to note at the end of this session that we have received written evidence from Nick Bourne. He and Jeff Cuthbert, as joint-chairs of the cross-party group on this particular subject, assisted us in our inquiry. You will have received the evidence from Nick Bourne. I think that it is joint evidence between Nick and Jeff, because there are references to that within the evidence.

I thank Wynfford James for his contribution.

## **Ymchwiliad i Ddiwygio'r Polisi Amaethyddol Cyffredin Inquiry into the Reform of Common Agricultural Policy**

[73] **Rhodri Glyn Thomas:** Hoffwn wahodd Rory O’Sullivan at y bwrdd yn awr wrth inni droi at ystyried ein hymchwiliad i’r cynllun newydd, Glastir. Yna, byddwn yn ystyried y polisi amaethyddol cyffredin.

**Rhodri Glyn Thomas:** I invite Rory O’Sullivan to the table as we move forward to consider our inquiry into the new Glastir programme. We shall then look at the common agricultural policy.

[74] Diolch yn fawr ichi, Weinidog, am eich ymateb i’r llythyr a anfonwyd atoch gan yr is-bwyllgor o ganlyniad i’r ymchwiliad. Un sesiwn a gafwyd yn yr ymchwiliad o safbwynt Glastir. Yn y sesiwn honno, yn gyffredinol, cawsom dystiolaeth gan y mudiadau sydd yn cynrychioli amaethwyr a pherchnogion tir, eu bod yn bryderus iawn am y sefyllfa. Ni theimlent fod ganddynt ddigon o wybodaeth ar hyn o bryd i wneud penderfyniadau. Yr oedd pryder na allai pawb gael mynediad i’r cynllun newydd, ac y byddai rhai amaethwyr—ar yr ucheldir, yn benodol, sydd yn cynnwys tua 70 y cant o diriogaeth Cymru—ar eu colled yn sylweddol. Mae’n rhaid dweud, o ran tegwch, bod y mudiadau amgylcheddol a roddodd dystiolaeth yn frwd iawn i weld Glastir yn cael ei weithredu cyn gynted â phosibl, ond yr oedd yr undebau amaethyddol yn pwyso am ohiriad. A ydych wedi ystyried y pryderon hyn? A ydych wedi ystyried gohirio’r cynllun neu gynorthwyo ffermwyr yn ystod y cyfnod trosiannol o symud o’r sefyllfa bresennol i’r sefyllfa newydd o dan gynllun Glastir?

Thank you, Minister, for your response to the letter that the sub-committee sent you as a result of the inquiry. We only had one session on Glastir. In that particular session, generally speaking, we received evidence from the organisations that represent farmers and landowners, which stated that they were quite concerned by the situation. They did not feel that they had currently received enough information to make decisions. There was also concern that not everyone would be able to access the new scheme, and that some farmers—particularly those in the uplands, which covers around 70 per cent of the Welsh landscape—would lose out substantially. I must say that, in fairness, the environmental organisations that presented evidence were very keen to see Glastir being implemented as soon as possible, but that farmers’ unions were pressing for it to be deferred. Have you given consideration to these concerns? Have you considered deferring the scheme or assisting farmers during the transitional period of moving from the current situation to the new situation under the Glastir scheme?

9.40 a.m.

[75] **Elin Jones:** Diolch, Gadeirydd, am y cyfle i ddod yma i ymateb i rai o’r pwyntiau mae’r is-bwyllgor wedi’u codi ynghylch Glastir. Cwblhaodd eich is-bwyllgor yr adroddiad o fewn cyfnod penodol, ac yr wyf yn deall nifer o’r pryderon a godwyd yn ystod y cyfnod hwnnw. Ers hynny, mae’r Llywodraeth wedi ymgymryd â gwaith sylweddol o ran cynnal cyfarfodydd cyhoeddus, trafod gyda ffermwyr a datblygu agweddau ar y cynllun. Felly, gwnaethpwyd cynnydd sylweddol yn hynny o beth.

**Elin Jones:** Thank you, Chair, for the opportunity to respond to some of the points raised by the sub-committee in relation to Glastir. Your sub-committee completed its report over a specified time period, and I understand some of the concerns that were raised at that time. Since then, the Government has undertaken significant work in the form of public meetings and discussions with farmers and we have developed aspects of the scheme. Therefore, significant progress has been made in that regard.

[76] Cafwyd trafodaeth gyhoeddus ynglŷn â gohirio Glastir am flwyddyn, sef yr hyn y mae rhai yn gofyn amdano. Yr wyf, fel Gweinidog, wastad yn barod i ystyried unrhyw bryder sydd gan naill ai’r undebau amaethyddol neu’r sector amgylcheddol—er

There has been a public debate regarding deferring Glastir for a year, which is what some have requested. I, as Minister, am always willing to consider any concerns raised by farmers’ unions or the environmental sector—although I do not like

nad wyf yn hoff o'u gwahanu yn y ffordd honno; mae ganddynt fwy o bethau yn gyffredin na phethau sy'n eu gwahaniaethu. Dros yr wythnosau a'r misoedd diwethaf yr wyf wedi bod yn awyddus iawn i gwrdd â chymaint o ffermwyr ag y bo modd i drafod Glastir yn uniongyrchol.

[77] Nid wyf o'r farn bod angen gohirio Glastir, er ein bod wedi bod yn ystyried agweddau penodol sydd wedi bod o bryder i mi fel Gweinidog, i'r adran ac i'r diwydiant. Yr oedd tair agwedd benodol yr oedd gennyf bryder yn eu cylch. Mae'r agwedd gyntaf yn ymwneud â'r presgripsiynau o dan y cynllun Cymru gyfan, a godwyd mewn trafodaeth yn y Cynulliad. Yr ydym wedi bod yn edrych ar y presgripsiynau penodol a rhai o'r pryderon a godwyd yn y cyfarfodydd cyhoeddus, gan gynnwys rhai a gododd Brynle ynghylch maint y clawdd, sef 4m, ac yr ydym wedi ailedrych ar hynny. Yr ydym wedi bod yn gweithio i addasu'r presgripsiynau er mwyn eu gwneud yn fwy hwylus i ffermwyr, ac mae hynny yn awr wedi cael ei wneud.

[78] Pryder arall a godwyd gyda mi a'r adran oedd y bydd ffermwyr sydd ar hyn o bryd yn rhan o Tir Gofal ac sy'n bwriadu ymestyn eu cynllun Tir Gofal am ddwy flynedd ychwanegol yn ei chael yn anodd iawn i ymuno â chynllun Cymru gyfan Glastir yn 2012. Dros yr wythnosau diwethaf yr ydym wedi cynnal asesiad manylach o hynny gydag oddeutu 40 o ffermwyr yn Meirionnydd. Bydd tua hanner y ffermwyr hynny yn ei chael yn anodd iawn i barhau â chynllun Tir Gofal ac ymuno â'r cynllun Cymru gyfan yn 2012.

[79] Felly, gwneuthum y penderfyniad ddoe i ymestyn taliadau Tir Mynydd am ddwy flynedd ychwanegol, yn 2012 a 2013, ar raddfa is. Bydd taliad Tir Mynydd o 60 y cant o'r taliad llawn yn cael ei wneud yn 2012, a bydd taliad o 30 y cant ohono yn cael ei wneud yn 2013. Bydd ar gael i bob ffermwr yng Nghymru sy'n gymwys ar gyfer Tir Mynydd, nid dim ond y sawl sydd yn rhan o Tir Gofal. Bydd yn cyfrannu, yr wyf yn gobeithio, i'r cyfnod trosiannol o symud o gynlluniau amaeth-amgylchedd echel 2 i sefydlu Glastir yn llawn erbyn 2014. Felly, bydd y cyfnod trosiannol hwnnw, o 2012-13,

to separate them in that way; they have more things in common than differences. Over the past few months, I have been eager to meet as many farmers as possible to discuss Glastir directly with them.

I am not of the opinion that a deferral of Glastir is necessary, although we have been considering specific aspects of the scheme that have been of concern to me as Minister, to the department and to the industry. There were three specific aspects that I was concerned about. The first aspect relates to the prescriptions under the all-Wales scheme, which was raised in a debate in the Assembly. We have been looking at the specific prescriptions and some of the concerns that were raised in the public meetings, including those that Brynle raised regarding the height of the hedge, at 4m, and we have reviewed that. We have been working to amend the prescriptions so that they are more convenient for farmers; that has now been done.

Another concern that was raised with me and my department was that farmers who are currently part of Tir Gofal and who intend to extend their Tir Gofal scheme for an additional two years will find it very difficult to access the all-Wales Glastir scheme in 2012. Over the last few weeks we have undertaken a more detailed assessment of that with around 40 farmers in Meirionnydd, around half of whom will find it very difficult to continue with Tir Gofal and access the all-Wales scheme in 2012.

Therefore, I made the decision yesterday to extend Tir Mynydd payments at a lower level for a further two years, in 2012 and 2013. A Tir Mynydd payment of 60 per cent of the full payment will be made in 2012, and a payment of 30 per cent will be made in 2013. That will be available to all farmers in Wales who currently qualify for Tir Mynydd, not only those who are currently part of Tir Gofal. That will contribute, I hope, to the transition phase of moving from the axis 2 agri-environment schemes to the full establishment of Glastir by 2014. So, that transition period, from 2012-13, will be



yn cael ei gryfhau, a bydd y gefnogaeth ariannol i ffermwyr yn cael ei gryfhau hefyd. Mae hwnnw'n benderfyniad newydd yr wyf wedi ei gymryd fel ymateb i rai o'r pryderon a godwyd.

[80] Yn ychwanegol, cyfeiriodd yr is-bwyllgor hwn yn benodol at bryderon ynglŷn â thir comin o fewn Glastir. Yr wyf i, hefyd, wedi bod yn bryderus ynglŷn â hynny. Mae'r grŵp sydd wedi bod yn gweithio ar dir comin wedi gwneud ei waith yn bennaf wedi i'r is-bwyllgor gwblhau ei adolygiad. Mae'r grŵp, sydd yn cynnwys yr undebau amaethyddol a nifer o bartneriaid eraill, wedi cadarnhau rhai o'r materion a oedd yn achosi pryder. Felly, mae cynnydd sylweddol wedi'i wneud yn y maes hwn o ran dewis y presgripsiwn, ac opsiynau presgripsiwn, ar gyfer tir comin, y ffaith bod angen 80 y cant o'r porwyr actif ar gyfer hynny a bod angen edrych a oes problem o ran lle mae'r gosb yn gorwedd. Felly, yr wyf yn gobeithio ein bod wedi cael ateb synhwyrol ar hynny. O ran y rhai a oedd yn borwyr unigol, mae diffiniad clir bellach eu bod yn cael eu trin fel ffermwyr unigol yn hytrach na'u bod yn rhan o unrhyw gymdeithas porwyr ar y cyd. Felly, yr ydym wedi ateb y broblem honno.

[81] Mae'n ddrwg gennyf os yw rhai o'r pethau hyn yn fanwl, ond credaf bod cynnydd sylweddol wedi'i wneud wrth inni ymateb i rai o'r pryderon a godwyd yn adroddiad yr is-bwyllgor, ynghyd â phryderon mwy cyffredinol gan ffermwyr. Yr ydym wedi edrych yn ymarferol ar sut y gallwn ateb y problemau hynny. Mae'n siŵr y bydd rhai pobl yn dal am imi ohirio'r cynllun am flwyddyn, ond nid wyf o'r farn fod unrhyw fudd, i'r Llywodraeth neu i ffermwyr yn y pen draw, o wneud hynny gan ein bod wedi gwneud y penderfyniad. Yr wyf wedi derbyn cefnogaeth mewn egwyddor i fynd lawr y trywydd hwn, ac nid wyf wedi fy argyhoeddi fod angen gohirio'r cynllun am flwyddyn.

[82] **Rhodri Glyn Thomas:** Diolch yn fawr iawn ichi am y wybodaeth honno. Byddem yn croesawu hynny yn fawr, yn gyffredinol. Mae'n ymateb i'r pryderon, ac yr wyf yn siŵr y bydd y cymorth ariannol trosiannol yn gymorth mawr i ffermwyr. Yr wyf yn siŵr fod gan aelodau'r is-bwyllgor ddiddordeb yn y datganiad hwn, ond cyn

strengthened, and the financial support for farmers will also be strengthened. That is a new decision that I have taken in response to some of the concerns raised.

In addition, this sub-committee referred specifically to concerns about common land within Glastir. I have also had some concerns about that. The group that has been working on the issue of common land carried out its work mainly after the sub-committee completed its review. The group, which consists of the farmers' unions and a number of other partners, has confirmed some of the issues that were of concern. So, considerable progress has been made in this area regarding selecting the prescription, and prescription options for common land, the fact that 80 per cent of active graziers were required for that and that consideration needed to be given to whether or not there are any problems in terms of where the penalty lies. So, I hope that we have found a sensible solution on that. With regard to sole graziers, there is now a clear definition that they are treated as individual farmers rather than part of any joint grazing association. Therefore, we have found a solution to that problem.

I am sorry if some of these responses are detailed, but I believe that significant progress has been made as we respond to some of the concerns raised in the sub-committee's report, as well as more general concerns by farmers. We have looked in practical terms at how we can solve those problems. I am sure that some people will still be asking me to defer the scheme for a year, but I am not of the opinion that there is any benefit for the Government or for farmers, ultimately, of doing that as we have taken the decision. I have received support in principle to go down this particular route, and I am not convinced that the scheme needs to be deferred for a year.

**Rhodri Glyn Thomas:** Thank you for that information. We greatly welcome that, in general. It responds to the concerns, and I am sure that the transitional financial support will be of great help to farmers. I am sure that members of the sub-committee would be interested in that statement, but before I turn to them, I have a specific question on the

symud atynt, mae gennyf gwestiwn penodol ar fapio'r targedau. Pryd fydd y wybodaeth fanwl honno yn cyrraedd y ffermwyr, achos yr oedd hynny yn bryder? Gwn eich bod yn awyddus iawn i weld ffermwyr yn ticio'r blwch yn dweud bod diddordeb ganddynt yn Glastir, ac yr ydych wedi pwysleisio fwy nag unwaith nad yw hynny yn ei hymrwymo mewn unrhyw ffordd, ond y byddai peidio â thicio'r blwch hwnnw yn golygu y byddant yn colli'r cyfle. Pryd fydd y wybodaeth fanwl yn cyrraedd y ffermwyr, gan eich bod wedi datgan yn gwbl glir nad oes bwriad i ohirio'r cynllun? A fydd y wybodaeth honno ganddynt mewn pryd?

[83] **Elin Jones:** O ran y wybodaeth fanwl ynglŷn â'r elfen sydd wedi ei thargedu, yr ydym wrthi'n trafod yr egwyddorion a manylder y cynllun hwnnw gyda'r partneriaid yn gwbl agored ar hyn o bryd. Byddwn mewn sefyllfa yn nes ymlaen ym mis Mai i roi gwybodaeth fwy penodol i ffermwyr—er fod y wybodaeth honno allan yna ar hyn o bryd, ond nid yn uniongyrchol i ffermwyr—ar sut y bydd yr ail elfen o Glastir yn gweithredu. O ran y ffurflenni taliad sengl sydd wedi eu dychwelyd a'u sganio hyd yn hyn, efallai y byddai gennych ddiddordeb gwybod faint o ffermwyr sydd wedi datgan diddordeb yn Glastir.

9.50 a.m.

[84] I gadarnhau unwaith eto, er bod rhai ffermwyr yn parhau i fod dan gamargraff, nid yw datgan diddordeb yn ymrwymiad ar eu rhan hwy nac ar ran y Llywodraeth. O'r ffurflenni sydd wedi eu dychwelyd, sef canran weddol fach ar hyn o bryd, mae 74 y cant wedi datgan bod ganddynt ddiddordeb mewn ymuno â Glastir. Mae honno'n ganran sylweddol ac os ydym yn rhagamcanu faint allai hynny olygu o ran niferoedd, a chymryd y 75 y cant hwnnw fel adlewyrchiad o'r hyn a ddaw i mewn yn fwy cyffredinol, gallai hynny olygu rhyw 13,000 o ffermwyr.

[85] **Rhodri Glyn Thomas:** Mae hynny'n newyddion da iawn eto.

[86] **Brynle Williams:** Unwaith eto, yr oeddwn yn siarad â ffermwr o sir Feirionnydd neithiwr, a ddywedodd wrthyf ar sail yr hyn yr oedd yn ei wybod ei fod yn

mapping of these targets. When will that detailed information be available to farmers, because that was a matter of concern? I know that you are very keen for farmers to tick the box to say that they are interested in Glastir, and you have emphasised more than once that that does not commit them in any way, but that failing to tick the box would mean that they would miss out on the opportunity. When will the detailed information be available to farmers, as you have stated very clearly that you have no intention of deferring the scheme? Will they have that information in time?

**Elin Jones:** On the detailed information regarding the targeted element, we are discussing the principles and the detail of that scheme at present with partners in a completely transparent way. We will be in a position later in May to provide more specific information to farmers—although that information is currently out there, it is not directly available to farmers—on how the second element of Glastir will operate. On the single payment forms that have been returned and scanned thus far, perhaps you may be interested to know how many farmers have expressed an interest in Glastir.

To confirm once again, although some farmers may be labouring under a misapprehension, expressing an interest does not commit them or the Government. Of the forms that have been returned, which is quite a small percentage at the moment, 74 per cent have expressed an interest in joining Glastir. That is a substantial percentage and if we project that forward in terms of how many that would mean, taking that 75 per cent as a reflection of what could come in more generally, that could mean some 13,000 farmers.

**Rhodri Glyn Thomas:** Again, that is very good news.

**Brynle Williams:** Once again, I was speaking to a farmer from Meirionethshire last night, and he said that, based on what he knew, he was concerned that he would lose

pryderu y byddai'n colli hyd at o leiaf 40 y cant o'i incwm pe bai'n methu â chael mynediad at Glastir. Mae'r dyn hwn yn ffermio rhyw 300 acer ac y mae 1,000 o bwytiau'n fyr i fynd i mewn i'r cynllun. Yr oeddwn i'n meddwl mai pwrpas y cynllun hwn oedd ceisio cael pob ffermwr i mewn er mwyn cael amgylchfyd cysylltiedig, ond ni fydd yn gweithio. Nid wyf yn meddwl y byddaf yn cael y pwyntiau sydd eu hangen ar fy fferm i—yr wyf yn gwneud datganiad o fuddiant mai ffermwr ydwyf. Mae'r pryderon hyn o gwmpas ym mhob man, ac unwaith eto, nid oes digon o wybodaeth gan bobl. Yr ydych wedi ymdrechu—yr wyf yn gwybod bod clinigau wedi'u cynnal drwy'r wlad—ond mae pryderon mawr yn parhau y bydd pobl yn methu â chael mynediad at y cynllun hwn gan ei fod yn rhy anodd i wneud hynny.

up to 40 per cent of his income if he could not access Glastir. This man farms some 300 acres and is 1,000 points short of entering the scheme. I thought that the idea behind this scheme was to try to bring in every farmer to ensure that there is a joined-up environment, but it is not going to work. I do not think that I will achieve the points required on my farm—I make a declaration of interest that I am a farmer. These concerns are making the rounds everywhere, and once again, people do not have enough information. You have tried—I know that clinics have been held up and down the country—but there are still grave concerns out there that people will be unable to access this scheme as it is too difficult to do so.

[87] Mae un peth arall yr wyf yn sicr y caiff ei grybwyll yn ein cwestiynau, sef y bydd methu â chael mynediad i ail ran y cynllun yn creu problemau i lawer o bobl ifanc sydd wedi arallgyfeirio—y mae ffermio yn parhau'n rhan o'u bywydau, ond maent wedi arallgyfeirio i godi waliau a ffensys a phethau tebyg. Mae busnesau wedi cael eu creu drwy Tir Gofal ac mae pryderon am y posibilrwydd o'u colli hwy hefyd ac felly colli sector arall yng nghefn gwlad. Mae'n ddrwg gennyf am ofyn cwestiwn mor hir, ond mae'r pryderon hyn wedi cael eu codi'n ddiweddar ac ers lansio'r cynllun.

There is another aspect that I am sure that we will come to in questions, that is, that being unable to access the second part of this scheme will create problems for many young people who have diversified—farming is still a part of their lives, but they have diversified to build walls and to erect fencing and so on. Businesses have been created through Tir Gofal and there are concerns about the possibility of losing them too and therefore losing another sector in the countryside. I apologise for asking such a lengthy question, but these concerns have been raised recently and since the launch of the scheme.

[88] **Elin Jones:** Mae'n siŵr yr oedd fy nghyflwyniad i'n hir hefyd. Ni fedraf ymateb i sylw penodol am fferm benodol heb wybod a yw'r fferm hwnnw yn Nhir Gofal ar hyn o bryd ac ai dyna'r rheswm nad yw'n gallu cael mynediad at gynllun Glastir ar ei lefel ehangach.

**Elin Jones:** I am sure that my introduction was lengthy as well. I cannot respond to any specific comment about a specific farm without knowing whether that farm is currently in Tir Gofal and whether that is the reason why it cannot access the Glastir scheme in its broader sense.

[89] Yr hyn a ddywedais yn fy nghyflwyniad oedd ein bod yn derbyn bod nifer o ffermwyr yn Nhir Gofal eleni, ac yn 2012 a 2013, na fydd yn medru mynd i mewn i gynllun Glastir yn ei ehangder oherwydd ni fyddant yn gallu hawlio am yr un presgripsiynau o dan Tir Gofal a fyddai'n cael eu hariannu o dan Glastir. Dyna pam yr wyf wedi penderfynu estyn Tir Mynydd i gyfrannu at y cyfnod trosiannol ar gyfer y ffermwyr penodol hynny, ond bydd ffermwyr eraill yn elwa hefyd. Cofiwch, unwaith y

What I said in my introduction was that we accept that several farmers who are currently in Tir Gofal, and who will be in 2012 and 2013, will be unable to access the Glastir scheme in its broadest sense because they will not be able to claim for the same prescriptions under Tir Gofal that would be funded under Glastir. That is why I decided to extend Tir Mynydd to contribute to the transition phase for those specific farmers, but other farmers will also benefit more widely. Bear in mind that once Tir Gofal

bydd Tir Gofal yn diflannu ar ddiwedd 2013, byddant yn mynd i mewn i Glastir yn llawn ac yn rhwydd erbyn 2014.

disappears at the end of 2013, they will easily be able to access Glastir in full by 2014.

[90] Yr hyn y mae nifer o ffermwyr, yn enwedig ffermwyr yr ucheldir, heb lwyf ystyried eto yw bod cynllun Glastir ar gyfer Cymru gyfan. Mae mwy o wybodaeth ar gael a gallant ystyried a oes ganddynt y pwyntiau i fynd i mewn i'r cynllun hwnnw, ond mae'r cynllun hefyd wedi'i dargedu'n uwch.

What several farmers, particularly upland farmers, have not yet considered in full is that Glastir is an all-Wales scheme. Further information is available and they can consider whether they have achieved the points to enter into that scheme, but the scheme is also targeted at a higher level.

[91] O bosibl, bydd yn ddeniadol iddynt a bydd yn sicr yn ychwanegiad ariannol iddynt. Os ystyriwn y math o bresgripsiynau a gofynion fydd yn y cynllun hwnnw, yr ydym yn edrych ar gynnwys carbon y pridd a rheolaeth dŵr ac felly bydd yr ucheldir yn bendant yn rhan bwysig o hynny. Felly, i ffermwyr unigol yn yr ucheldir sy'n ystyried a ydynt yn dymuno ymuno â'r cynllun, bydd yn rhaid iddynt wneud cymhariaeth rhwng y cynlluniau y maent yn rhan ohonynt ar hyn o bryd a'r cynlluniau yn eu cyfarwydd y gallant fod yn rhan ohonynt ar ôl 2012, ac yna o 2014 ymlaen.

Possibly, it will be attractive to them and it will certainly mean a financial increment for them. If we consider the sorts of prescriptions and requirements that there will be in this scheme, we will be looking at the carbon content of the soil and water management and therefore the uplands will certainly be an important part of that. So, for individual farmers in the uplands who are considering whether they want to enter the scheme, they have to compare the schemes in which they are currently involved with the schemes that they could be involved in as a whole after 2012, and then from 2014 onwards.

[92] O ran gwybodaeth ar gyfer ffermwyr, yn sicr yn ystod y misoedd diwethaf, mae mwy a mwy o ffermwyr wedi dod yn ymwybodol o fanylion Glastir a dyna pam yr oedd llawer ohonynt yn flin neu'n anhapus oherwydd eu bod yn awr yn ymwybodol o'r manylion. Fodd bynnag, wedi dweud hynny, yr ydym yn edrych eto ar y presgripsiynau a'r ymateb a gawsom yn y cyfarfodydd cyhoeddus gan ffermwyr unigol a'u cynrychiolwyr, ac os ydym yn ystyried fod rhywbeth yn anymarferol neu y bydd yn broblem ar lefel fferm, yr ydym yn barod i edrych ar sut y gallwn ddatblygu hynny ymhellach. Mae gwaith manwl wedi'i wneud a rhaid inni ddarbwylllo'r Comisiwn Ewropeaidd ein bod wedi gwneud y gwaith manwl ar y costau penodol sy'n deillio o'r presgripsiynau unigol a faint o incwm a gollir o ganlyniad i'r presgripsiynau hynny. Bydd rôl sylweddol o ran negodi hynny gyda'r Comisiwn Ewropeaidd dros yr wythnosau a'r misoedd nesaf. Efallai bod gan Rory rywbeth i'w ychwanegu at hynny.

On information for farmers, certainly over the past few months, more and more farmers have become aware of the details of Glastir and that is why many of them are angry or unhappy because they are now aware of the details. However, having said that, we are looking again at the prescriptions and the responses that we received at public meetings from individual farmers and their representatives, and if we believe that something is impractical or will be problematic at the farm level, we are willing to look at how we can develop that further. Detailed work has been done and we must now convince the European Commission that we have done that detailed work on the particular costings that emanate from the individual prescriptions and what income will be lost as a result of those prescriptions. The role of negotiating that with the European Commission will be significant over the next weeks and months. Perhaps Rory has something to add to that.

[93] **Mr O'Sullivan:** The point that we would like to make is that we put into the public domain an awful lot of information about the all-Wales element, the whole farm code, the regional packages, the dairy package and the payment rates. There is also a score card that

farmers can use. At this stage, we are simply asking farmers to express an interest. We are not requiring them at this stage, under the SaFF process, to take an informed decision. That process follows later this year with an application and, thereafter, if farmers want to enter into Glastir, they will have time to consider whether or not they wish to sign a contract. We need to be clear about that.

[94] In the next few weeks, we will also produce farmer-friendly technical guidance on the all-Wales element. The other point that I would make is that the Minister has referred to the separate debate that we will need with the European Commission about the detail of Glastir, both in terms of the all-Wales element and the targeted element.

[95] We have completed the stakeholder engagement on an all-Wales level and we are nearly at the end of that process on targeting. We will then put a set of proposals to the European Commission. Those proposals are an opening negotiating position—they are not saying that these proposals for Glastir will be set in concrete. We will reach an agreement with the European Commission and, thereafter, in the light of our experience, there will be sufficient flexibility to amend what we may or may not have in Glastir to reflect actual experience and the needs of Wales.

[96] **Brynle Williams:** Could I come back on that, Chair?

[97] **Rhodri Glyn Thomas:** Mike wants to come in and we have taken a lot of time on this statement. It is an important statement that will be welcomed generally throughout the industry. I will allow a brief question from Brynle and then we will go to Mike. I am looking forward to seeing the ‘farmer-friendly technical guidance’, Rory; that is a wonderful phrase.

[98] **Brynle Williams:** I support what you have said, and irrespective of what I have said previously or what I will say now, this message does not seem to be getting through to farmers.

10.00 a.m.

[99] I keep pushing them to put a cross in the box to indicate their interest, but I regret that the message does not seem to be getting through. I do not know how we can put the onus on ourselves as politicians to ensure that farmers do this, because it is only a declaration of intent, not a commitment.

[100] **Rhodri Glyn Thomas:** I think that we are united on that message—that farmers should certainly tick that box and see how it develops, and take the ultimate decision later. The initial response of 74 per cent is encouraging. Mike wants to come in here, and then we need to move on.

[101] **Michael German:** Rory, you have extensive experience of negotiating with the European Commission, so when would you expect to conclude your agreements on the scheme? I am asking for a best guess because, given the years of experience that you have, you will know how long it takes. When would you expect farmers to have to put in their applications? The difference between the two dates will be interesting.

[102] **Mr O’Sullivan:** I am grateful for your comments. On Glastir, we have been in what you would call informal negotiations with the European Commission since last summer, as we have developed the strategic context and the detail. I would not expect, if we have handled those informal negotiations correctly, to have much difficulty in ensuring the European Commission’s approval. The all-Wales element will formally go to the European Commission in the next couple of weeks, and technically, it has six months to notify us of its decision. The same period applies when we submit the targeted element details, which we are intending to

put through in July. I would emphasise the importance of the informal negotiations. As we have developed Glastir, we have identified whether there would be any problems with the European Commission, and where we have run into difficulties, we have been able to overcome them. With the all-Wales element, we will be proceeding on the basis that what we put to the European Commission is what we will secure at the end of the negotiating period. The same is true of the targeted element. That work will effectively start, in any case, in 2011.

[103] On the all-Wales element, following the scanning of the single application forms for 2010, we will run an application process from September to late October or early November, and that will include a pre-populated map so that the farmers can clearly identify the activities that they will be undertaking for the all-Wales element. Once the applications are in, there will be one-to-one discussions at the divisional office, and following that we will issue contracts for farmers to sign, or not.

[104] **Michael German:** In the worst-case scenario, you would be closing the application procedure before the European Commission's deadline for responding to the scheme had expired.

[105] **Mr O'Sullivan:** Yes. When we submitted the 2007-13 rural development plan, we did not get formal approval from the European Commission until February 2008. That did not preclude us from undertaking activities across that rural development plan prior to the European Commission's formal approval.

[106] **Elin Jones:** In addition to that—and I will also come back to a point that Brynle raised on capital payments—the transition period between current agri-environment axis 2 schemes and the Glastir scheme has been a key interest of mine, to ensure that the transition is a period that allows a softer landing for anybody who may be affected by an element of redistribution. Remember that the total budget will remain the same, but, in any change, there may well be a degree of redistribution. We have had the green light from the Commission for the extensions of Tir Gofal and Tir Cynnal, as we outlined early on in this process, and for the Tir Mynydd exit payment, which I told you about earlier. Brynle raised the issue of the capital element of Tir Gofal as it is currently, and the fact that, within the Glastir all-Wales element, there is not a capital grant. Of course, farmers may undertake capital works in order to get their Glastir allocations, so there may well be work for those already trained in this. However, I would make two further points in that regard. In the targeted element, there will be a degree of capital support for, for example, dry-stone walling in areas where it is a particular feature of the landscape. There will also be capital grant support for a major tree-planting programme that I announced a few weeks ago. Some of those skills that have been developed may be equally transferable to forestry. The tree-planting programme will have a capital element as well as a management payment to farmers for up to 15 years in order to support woodland on farm land.

[107] **Rhodri Glyn Thomas:** Thank you, Minister. That was a very important decision of yours that you have shared with us. We appreciate that. We have had a long discussion on that, so I ask Members to bear in mind that we have covered a lot of ground in our questions, and I now ask for specific questions and concise answers. We appreciate the answers that you have given. They were very full, but we are running out of time now. I want to move on to the issue of CAP reform, and I know that the Minister has to leave at 11 a.m..

[108] **Joyce Watson:** You have talked at length about the prescriptions, but can you tell us more about the regional and dairy packages that you have announced?

[109] **Elin Jones:** Yes. Rory will answer that.

[110] **Mr O'Sullivan:** The all-Wales element has 39 prescriptions, all aimed at improving

environmental activity on the farm. However, we also recognise that, across Wales, there can be regional variations in what we want to deliver. Sometimes, a combination of those prescriptions can deliver more, and it is on that basis that we have developed the regional package. We trunk in some of the prescriptions but recognise that, through combination, extra is required from the farmer. Therefore, the points threshold comes down by 10 per cent because we are recognising the greater input required by the farmer. With regard to the dairy package, when we conducted the field trials on our earlier proposals for the all-Wales element, it became clear that there were difficulties for dairy producers to get into the all-Wales element. So, we have adapted some of the prescriptions to enable dairy farmers to come in, recognising that their mode of operation generally was not suited to the 39 prescriptions.

[111] **Joyce Watson:** Are you happy that those changes will overcome the accessibility issues raised during the on-farm trials?

[112] **Mr O'Sullivan:** Yes. In light of those farm trials, we have amended the prescriptions under the all-Wales element. We have also had a look at some of the point thresholds and the payment rates associated with them. We have paid careful attention to those lessons.

10.10 a.m.

[113] **Rhodri Glyn Thomas:** Brynle Williams has a question on resources and capacity.

[114] **Brynle Williams:** Written and oral evidence submitted to this sub-committee notes that, in order for Glastir to deliver its environmental objectives, it will be crucial that the right range of options is selected by farmers—as you pointed out, Minister—in the all-Wales element. In the absence of support from project officers, however, are you confident that the appropriate range of options will be selected by farmers?

[115] **Elin Jones:** Ultimately, it is the farmers' choice as to which prescriptions they want to implement on farm. Allowing the farmers the right to have that choice is important. However, the one-to-one discussions with farmers about the management agreement itself were not in-depth discussions involving an expert in the field, as happened with the quite intensive discussions with Tir Gofal project officers. If we were to have a Tir Gofal type of project officer for around 15,000 farms in Wales, that would create a significant uplift in my department's running costs, and we are not in a situation to enable that to happen. Therefore, it is designed to be a far more farmer-friendly and Government-friendly scheme, recognising that the combination of the prescriptions at farm level, across Wales, will have the kinds of benefits that such a scheme needs to have in terms of its outcomes.

[116] There will be investment in supporting the development of commons and graziers' associations. We are committed to providing project officer support for that area of work, as it will enable us to form those grazing associations, and to work with graziers to develop the commons element of their Glastir application. That will also aid us with something that we have discussed previously in this sub-committee, namely implementing and developing the Commons Act 2006 in Wales.

[117] **Mr O'Sullivan:** To add to that, we are engaging in a lot of training and communication in order to get out not only the key aspects of Glastir, but the detailed aspects of it too. That process has been ongoing since the beginning of this year and will continue through to the end of the service and financial framework process to aid people's understanding of the process. That will be geared up, subsequently, so that farmers can take informed decisions. The all-Wales element is not akin to Tir Gofal—it is a totally different scheme. We also need to acknowledge that, in the vast majority of cases, it is the farmer who knows the land, and we need to look at Glastir to identify what would be best for his farm, in

terms of the business and in delivering under Glastir.

[118] **Elin Jones:** We have held a series of public meetings; that is, officials from my department have attended farmers' union meetings and public meetings that we have organised. Those meetings have happened through the winter. Going into the summer, we intend to hold on-farm meetings on specific farms, inviting other farmers over, to talk through and walk through the Glastir prescriptions. That will include explaining what it means on a farm level in a bit more detail—in a farmer-friendly way, even—to individual farmers. Therefore, we are scaling up the information and the discussion with farmers about the detail of Glastir at a practical level.

[119] **Brynle Williams:** I believe that farmers will greatly welcome this approach, because there is concern out there. Moving on, what changes have your officials made in divisional offices to ensure that Glastir applications will be dealt with appropriately? What resources have you invested? To be fair, we have a terrific system on single farm payments. However, there is grave concern that the added workload will add to the payment dates and lead to problems with the SFP.

[120] **Mr O'Sullivan:** I will take your last point first. We have an enviable record of 90 per cent of single farm payments being released each year before Christmas. The advent of Glastir will not have an impact on that timetable at present. On the divisional offices, we will be deliberately using them as they are the front point of access for the farming community, and they are being geared up to deal with the application process. I will also be putting in additional staff resources. Additional training is available for them, and we will also ensure that we have suitable accommodation in the divisional offices, together with the supporting information technology, particularly when we have these one-to-one discussions. All that work is in hand.

[121] **Brynle Williams:** Thank you. I am pleased to hear that, and I am sure that the industry will be equally pleased.

[122] **Rhodri Glyn Thomas:** Michael German has a question on dual land use.

[123] **Michael German:** I do not wish to rehearse the arguments, as I am sure that you are well aware of the difficulties of landowners and tenant farmers having to renegotiate contracts to fit within your timescale. I have two sub-questions. Are you allowing them sufficient time before October to renegotiate their contracts, to fulfil the qualifications that you require regarding a single applicant? Secondly, what has changed in the European regulations, or does something already exist, and are you are just hedging your bets so that you will not fall foul of any regulation in future?

[124] **Elin Jones:** On dual land use and how I came to the decision that we needed to move away from allowing two applicants to claim for two different schemes on one piece of land, I am not aware that that has been led primarily by a change of regulation. Our interpretation of that regulation was different to that of the European auditors, who have been looking at the four component parts of the UK allowing this to continue. The advice that we have received is that it is not supposed to happen, and that every time we allow it to happen or continue when it has happened, we run the risk of incurring a penalty. In negotiating a new scheme, this issue was raised again, and I have therefore taken the decision that, for the introduction of Glastir, dual use will not be allowed.

[125] On whether the exact terms between landlord and tenant have to be renegotiated by October, I will have to ask Rory whether that is the case, or whether it needs to be renegotiated by the beginning of 2012.



[126] **Mr O'Sullivan:** On dual use, the farmer would need to meet the requirement that there is no dual use on Glastir land by the time the contract starts on 1 January 2012. Therefore, although we will have an application process between this autumn and the 12-month period to the end of November 2011 for a contract to be signed, we are not saying that, at that application point—at the end of October or early November this year—all those arrangements, if there are difficulties, have to be sorted. They would need to be resolved by the time the contract starts in January 2012.

[127] **Michael German:** Is it possible that you could get a landowner and a tenant farmer ticking the box and getting the application forms together, and perhaps both of them putting them in, and then your having to send them back to them, saying, 'You have to sort it out'?

[128] **Mr O'Sullivan:** All applications under the SaFF process are scanned. As part of that process, field numbers have to be identified, and the scanning process would identify where, potentially, we had two different farmers seeking to claim on the same piece of land.

10.20 a.m.

[129] **Rhodri Glyn Thomas:** Is there a minimum length of tenancy that a tenant would have to demonstrate in order to make the claim?

[130] **Mr O'Sullivan:** Under Glastir, we are asking for a declaration that the tenant has management control over that land for five years. What the arrangement between a landlord and a tenant would be is for them to determine; we have made available some advice about how arrangements might be adopted.

[131] **Rhodri Glyn Thomas:** I think that we have covered capital works and common land, and the Minister has referred to a number of issues. Joyce, is there anything that you want to raise?

[132] **Joyce Watson:** Minister, you have referred to a number of issues; your opening statement was broad and very informative, and I thank you for that. I have a specific question on common land. Why do you believe that grazing associations offer the most pragmatic way of ensuring entry to Glastir on common land?

[133] **Mr O'Sullivan:** This is a requirement that has been set by the European Commission. Where there is common land with common rights and a number of graziers, the Commission says that we cannot commit to Glastir on that common with individual graziers because of what it regards as control difficulties. We have to be able to assure the Commission that an individual under Glastir on a particular piece of land will deliver x. That is well-nigh impossible to control where you have common grazing rights, so the Commission has insisted that, given that we want, strategically, to bring a lot of common land in Wales into Glastir, we have to operate this via a grazing association.

[134] **Joyce Watson:** Are you confident that you have enough grazing associations in place to cover the requirement?

[135] **Elin Jones:** We will be employing project officers specifically to work on this and form grazing associations where they do not currently exist; this is an important piece of work, which requires a degree of urgency to get right. I am sure that farmers will want to involve themselves in this, because it will allow them to access the Glastir payment in replacement of the Tir Mynydd payments that many of them have received previously. These farmers would have been eligible for Tir Mynydd but could not have been eligible for an agri-environment Tir Gofal-type scheme without the formation of an agreement around a grazing common. From memory, I think that I am right in saying that only a handful—four or five; or

seven, as Rory is suggesting—of Tir Gofal grazing on commons agri-environment management agreements had been negotiated for the commons. There is, therefore, a considerable amount of work to do on this, which is why I said early on that this area of work had been a concern of mine. However, I think that we have got to a point where there has been considerable progress by the commons working group in providing the right kind of framework for these associations to develop.

[136] **Rhodri Glyn Thomas:** Diolch yn fawr, Weinidog, a diolch hefyd i Rory O’Sullivan. Teimlaf eich bod wedi cyflwyno atebion cynhwysfawr i’r pryderon a godwyd gan yr is-bwyllgor yn dilyn ein adolygiad, ac yr ydym yn gwerthfawrogi hynny. Byddwn yn rhoi ystyriaeth ymhellach i’ch sylwadau a’r datganiad pwysig a wnaethoch ynglŷn â chymorth trosiannol.

**Rhodri Glyn Thomas:** Thank you very much, Minister, and thanks to Rory O’Sullivan. I feel that you have presented comprehensive answers to the concerns that were raised by the sub-committee following our review, and we appreciate that. We will give further consideration to your comments, and to the important statement that you made regarding transitional support.

[137] Symudwn yn awr at drafod diwygio’r polisi amaethyddol cyffredin, ac yr ydym yn mynd i geisio delio â hynny o fewn hanner awr. Dyma fan cychwyn ein adolygiad o’r oblygiadau i Gymru o ddiwygio’r polisi amaethyddol cyffredin.

We now move on to discussing the reform of the common agricultural policy, and we are going to try to deal with that in half an hour. This is the beginning of our review of the implications for Wales of reforming the common agricultural policy.

[138] Cefais gyfle yn nghyfarfod llawn Pwyllgor y Rhanbarthau i ddweud wrth y comisiynydd amaethyddiaeth ein bod ni yn cyflawni adolygiad yn yr is-bwyllgor hwn. Yr oedd yntau’n croesawu’n fawr yr ymatebion o’r rhanbarthau, ac yn pwysleisio bod gwahaniaeth oherwydd blaenoriaethau gwahanol ranbarthau o fewn Ewrop. Pwysleisiodd hefyd y ffaith ei fod yn ymwybodol iawn o effaith cyflogaeth o fewn y diwydiant amaethyddol ar gyflogaeth yn gyffredinol o fewn yr economi, yn enwedig yr economi wledig. Yr oedd yn pwysleisio’r pwynt hwnnw. Gan fy mod hefyd yn aelod o’r pwyllgor ad hoc Pwyllgor y Rhanbarthau sy’n edrych ar gyllideb yr Undeb Ewropeaidd, gwn nad oes gwybodaeth benodol yn debygol o’n cyrraedd tan ddiwedd yr haf—mae’n debyg mai dechrau’r Hydref y daw—ynglŷn â’r gyllideb yn gyffredinol.

I had an opportunity in the plenary session of the Committee of the Regions to tell the agriculture commissioner that we are undertaking a review in this sub-committee. He very much welcomed the responses from the regions, and emphasised the fact that there is a difference because of the priorities of different regions within Europe. He also emphasised the fact that he is very aware of the effects of employment within the agricultural industry on employment in general within the economy, particularly the rural economy. He emphasised that point. Since I am also a member of the ad hoc committee of the Committee of the Regions that looks at the EU budget, I know that we are not likely to receive any specific information before the end of the summer—it is likely to be the beginning of the autumn—about the budget in general.

[139] A ydych, yn gyffredinol, Weinidog, yn teimlo y gallwn ni fod yn weddol hyderus y bydd unrhyw ddiwygio i’r polisi amaethyddol cyffredin yn diogelu’r egwyddorion sylfaenol y tu ôl i’r polisi hwnnw? A ydych yn bryderus ein bod ni’n symud i gyfnod newydd o ran cymorth i’r diwydiant amaethyddol drwy’r polisi amaethyddol cyffredin?

Do you feel, in general, Minister, that we can be quite confident that any reform of the common agricultural policy will safeguard the fundamental principles behind that policy? Are you concerned that we are moving to a new period in terms of assistance to the agricultural industry through the CAP?

[140] **Elin Jones:** Mae braidd yn gynnar yn y broses i fod yn hyderus. Mae dwy agwedd i'r broses, fel y dywedoch, a allai gael effeithiau pellgyrhaeddol ar y taliadau a'r polisiau sy'n llywio'n gweithgareddau yma yng Nghymru. Y ddwy agwedd yw'r drafodaeth ar gyllideb Ewrop a'r gyllideb benodol sy'n mynd i'r polisi amaethyddol cyffredin. Wedyn mae'r drafodaeth fanylach ynglŷn â chynnwys y polisi amaethyddol cyffredin a'r dosraniad arian o fewn y polisi hwnnw. Mae'r ddwy drafodaeth ond yn cychwyn i ryw raddau, felly mae'n gynnar i feddwl ynglŷn â pha mor hyderus y gall rywun fod nid oes newid mawr ar y gorwel. Fodd bynnag, yr ydym yn ymwybodol iawn erbyn hyn bod trafodaeth gyhoeddus, a thrafodaeth ymysg gwleidyddion a ffermwyr, sy'n dangos yn glir fod angen i ni yn Ewrop i sicrhau'r gyflenwad bwyd ar gyfer ein pobl ein hunain a thu hwnt i'n ffiniau. Felly, mae sefydlogrwydd o fewn y diwydiant yn bwysig ar gyfer y 10 i 20 mlynedd nesaf er mwyn sicrhau'r cynhyrchiant hwnnw o fwyd ac, yn wir, i ddatblygu'r cynhyrchiant hynny ymhellach drwy foderneiddio'r diwydiant ymhellach. Mae'n gynnar eto i geisio rhagweld, ac nid wyf yn meddwl y byddwn eisiau rhagweld o ddifrif beth fydd y newidiadau hynny. Fodd bynnag, fy ymrwymiad i fel Gweinidog, ac ymrwymiad y Llywodraeth, yw ein bod ni am gymryd y rhan mwyaf gweithgar â phosibl yn y cyddestun gwleidyddol yr ydym yn gweithio ynddo i ddylanwadu ar y drafodaeth ac i fod yn rhan llawn o'r drafodaeth honno ar ran ffermwyr Cymru.

[141] **Rhodri Glyn Thomas:** Symudwn ymlaen felly at gwestiynau cyffredinol ar gyllid o'r Gymuned Ewropeaidd ac o'r Trysorlys, ac hefyd yr egwyddorion cyffredinol.

[142] **Brynle Williams:** What do you anticipate will be the outcome of the EU budget review in relation to CAP?

[143] **Elin Jones:** I am not in a position to anticipate the outcome at this point. We know that the EU budget review will take place in the context of quite significant public sector funding pressures in all member states of the EU, and in some in particular. Therefore, that context may well be quite significant in this budget review process. However, I cannot, at this point, give any clear estimate—and it would only be a guess—as to how the EU budget review will impact on the single farm payment and rural development plan funding that comes to Wales. We know that we paid £290 million in funding directly to farmers as part of

**Elin Jones:** It is quite early in the process to say that we are confident. There are two aspects to the process, as you said, which could have a far-reaching effect on the payments and policies that steer activities here in Wales. The two aspects are the debate on the European budget and the specific budget allocated to the common agricultural policy. Then there is the more detailed discussion on the content of the CAP and the financial allocation within that policy. Those two debates are only just beginning, so it is early to be thinking about how confident someone can be that there is no great change on the horizon. However, we are very aware that there is now a public discussion, and a discussion among politicians and farmers, that clearly demonstrates that we in Europe must ensure the food supply for our own people and beyond our borders. Therefore, stability within the industry is important for the next 10 to 20 years, to ensure that production of food and, indeed, to develop that production further by modernising the industry even further. It is early yet to try to anticipate, and I do not think that we want to anticipate seriously what those changes will be. However, my commitment as Minister, and my Government's commitment, is that we want to play as active a part as possible in the political context in which we work to influence the discussion and to play a full part in that discussion on behalf of Welsh farmers.

**Rhodri Glyn Thomas:** We will move on, therefore, to general questions on budgetary matters within the European Community and the Treasury, and also the general principles.

the last single farm payment. That is a big amount of money to go into the rural economy, and any significant reduction in that would no doubt have an impact on the rural economy in Wales.

10.30 a.m.

[144] **Brynle Williams:** Symudaf at y mater o'r dewis rhwng y polisi amaethyddol cyffredin ac ailwladoli. **Brynle Williams:** I turn to the issue of the common agricultural policy versus renationalisation.

[145] In your paper you state that you are cautious about the possibility of renationalisation of some aspects of the CAP. To what extent is your caution shared by other devolved administrations and the UK Government?

[146] **Elin Jones:** I cannot anticipate what the next UK Government's degree of caution is likely to be, because I, like others, do not know who will make up that UK Government. So, I will not answer on its behalf in advance of its formation. However, with regard to ensuring a degree of commonality of purpose and support across the European Union, Wales benefits from being part of that context. My caution arises from the prospect of taking Wales and the UK out of that context, and our then being disadvantaged or having different priorities from those in continental Europe, or other parts of Europe. That could create distortions in support and possibly in trading situations. My caution comes from there.

[147] **Brynle Williams:** Diolch yn fawr am yr ateb, Weinidog. **Brynle Williams:** Thank you for the answer, Minister.

[148] **Rhodri Glyn Thomas:** Michael German sydd â'r cwestiwn nesaf, ynghylch yr egwyddorion cyffredinol. **Rhodri Glyn Thomas:** Michael German has the next question, which is on the general principles.

[149] **Michael German:** We have received a list of the organisations and Europe-wide bodies that have looked at the key principles underlying the CAP, and there seems to be a general view—although I would not say that they all have the same view—that the underpinning principles of the CAP need to be revised in order to reflect the current social and economic position of the European Union, and, in particular, the issue of engagement with citizens, which seems to be the principal focus in the view of the European Commission and other European institutions. To what extent do you believe that the key principles underpinning the CAP need revision, not necessarily through a reduction or change, but perhaps by extending or expanding their purpose? They do not necessarily reflect, for example, the environmental interest.

[150] **Elin Jones:** The principles of food production and retaining the stability of farmers' income will need to be in the new common agricultural policy. The context of the new common agricultural policy will be slightly different from that of the current and previous policies, because it will also need to include climate change and the very real effect that that can have on the ability of countries, from Greece to Wales, to produce food. Producing food in the context of the single farm payment and of changing climactic conditions, together with the need to reduce the impact of food production on greenhouse gas emissions, are probably new criteria for the common agricultural policy, and are not quite as evident in the current one as they may need to be in future common agricultural policies.

[151] **Rhodri Glyn Thomas:** Joyce, mae gennyh gwestiwn ar y cydbwysedd rhwng pileri 1 a 2 yn y cynllun datblygu gwledig. **Rhodri Glyn Thomas:** Joyce, you have a question on the balance between pillars 1 and 2 of the rural development plan.

[152] **Joyce Watson:** Do you think that the current balance between the funding provided under pillars 1 and 2 is correct? If not, how would you like to see this addressed by the reform process?

[153] **Elin Jones:** Funding via the single farm payment in pillar 1 in order to produce food and to provide stability for the farming industry is important for the Welsh farming industry. We in Wales are disadvantaged by our funding position on pillar 2 and the rural development plan because, historically, the allocation to Wales and to the UK has been lower than it should have been. I will want to raise this issue during this process of negotiation and discussion at a European level, namely that the historical allocation to the UK is around 3.5 per cent of the pillar 2 allocation, when it should be in the region of 12 per cent, if the objective criteria are met. So, the UK and its component parts will hopefully make the case for this historical underfunding to be reassessed in light of the discussions. I have made this point myself to the previous agriculture commissioner during her visits to Wales. Of course, she was not keen to reopen the matter at that point because, if you increase the allocation to the UK, you then have to decrease the allocation to other member states, so she was not interested in going there at that point. However, with the new CAP and a new budget round, everything is back on the table.

[154] **Joyce Watson:** That being the case, in its vision for the CAP, the UK Government states that it would like to see a considerable reduction in pillar 1 activities, with a focus on more pillar 2 measures. Do you share that view?

[155] **Elin Jones:** That UK Government position was articulated by the UK Treasury around four years ago. I am on record as not sharing that view. Of course, the UK position may well be changing or may well be different, whatever Government exists after next week. So, I do not want to get into too much of a comparison of our position here with an unknown position somewhere else.

[156] **Rhodri Glyn Thomas:** Mike **Rhodri Glyn Thomas:** Mike German is German sydd nesaf, ar bwnc ariannu. next, on the issue of funding.

[157] **Michael German:** The Commission has given us a very strong indication, and it will likely be the case, that we will move from historic payments to area-based payments. Your officials have been working to assess the impact that change would have on farmers in Wales. Can you tell us what your initial assessment suggests those impacts might be?

[158] **Elin Jones:** We anticipate a move from historic payments—at some point, the historic-based analysis of production in 2001 becomes slightly out of date anyway. However, I am particularly keen to ensure that we have a long enough transition period, because there could be a significant redistribution of payment in Wales as a result of this change. I hope that we have a long enough transition period to soften that process of redistribution. The early indications from the Commission are that it is certainly willing to look at allowing us quite a long transition period. Rory will go into the more detailed work that we are currently doing on this.

[159] **Mr O'Sullivan:** Working with stakeholders, we have examined in some detail the impact of a move from historic to area-based. What is clear—and we knew this anyway, based on the decisions that were made when we first introduced the single payment scheme—is that a move to area-based payments will involve a significant redistribution. The work that we have done suggests that the smaller claimants, under £5,000, would be the main gainers and that those who receive over £25,000 under the single payment scheme would be the losers, but it is not a uniform pattern. We are also trying to analyse it by sector, and we are looking at what this might mean for production, for farm incomes and, importantly, what the implications are for the rural economy. With all of that information, we will consider what

mitigating measures would be appropriate to help farming to adjust, to deal with impacts more broadly in our rural communities. As the Minister has indicated, a transitional period of some length would clearly ease that process.

10.40 a.m.

[160] **Michael German:** If you have evidence to give to the Commission and to other stakeholders and European institutions, when do you expect to have the evidence to support Wales's case? What sort of transitional length of time would you be looking for?

[161] **Mr O'Sullivan:** We hope to conclude our work within the next few weeks. We have had an initial discussion with the Commission about going over to share that work, because if it is happening for us in Wales, which has a historic base for the single payment scheme, other parts of the UK and other member states will also feed in to the Commission to influence thinking, and we must do the same. If it was my decision to make about transition—and it is not—

[162] **Rhodri Glyn Thomas:** It should be.

[163] **Mr O'Sullivan:** We would go for as long a period as we could negotiate. Ideally, if we are talking about 2014-20, we might be able to negotiate it for the whole of that period. However, that is speculation and an aspiration on our part at this time in the absence of any information from the Commission.

[164] **Michael German:** Because of the significance of the impact on the farming industry in Wales, will your information be available to this sub-committee in time for the conclusion of our report, which is due some time in July? It makes sense for the sub-committee also to be able to influence external partners in other regions, other parts of the UK, other parts of Europe and other parts of European institutions.

[165] **Mr O'Sullivan:** Subject to our being able to conclude the work—I hope to have concluded it in the next few weeks—I do not see any difficulty in making that available to the sub-committee.

[166] **Michael German:** Thank you. Moving on to two other aspects where you think flexibility is needed, you have talked about the fact that you want to see more flexibility in the rural development plan process. Can you put more flesh on the bones of what you see the current axes producing or changing to?

[167] **Elin Jones:** The RDP process, in its various axes, is particularly challenging for Government and those people who benefit from the funding because of the amount of technicality and bureaucracy involved. That has been most clearly demonstrated by those groups throughout Wales that have made applications under axes 3 and 4 that have possibly been funded previously via structural funds but are now funded by axes 3 and 4, and have found that the bureaucracy and demands of funding under the common agricultural policy far outweigh the demands of structural funds, which were already pretty onerous. If we can achieve anything through the process of the European discussions on the future of the CAP, it is that there needs to be a fundamental change to the demands on countries of the administration of the RDP. The strategic discussions and agreement must happen between Wales's RDP and the European Commission. The auditory processes need to be there, as does transparency. However, the detail of the control on us and, ultimately, on the beneficiaries, is too much.

[168] **Mr O'Sullivan:** My perspective is that the rural development plan runs to hundreds of pages. We are faced with this one-size-fits-all European regulation. From where we are

sitting, we would like to do away with the scheme-based approach and have broad objective headings under which we could draw activities together. If you are talking about supply chains, that would be food, forestry, farming and diversification of the local economy, rather than splitting them. Climate change can encompass quite a lot, rather than narrowing it in terms of axis 2. You can do training for Glastir, but under axis 1, not axis 2. It would do away with some of that unnecessary stuff.

[169] **Michael German:** So, would it be suitable to change ‘pillars’ to ‘themes’?

[170] **Mr O’Sullivan:** Yes. We would look for a high-level agreement with the Commission on the strategic agenda for Wales under the RDP and then do away with all of these schemes that we have, because that would enable us to complement, supplement and contribute to other parts of the Assembly Government’s agenda more easily.

[171] **Michael German:** I have two further questions, and they are very different. The first one is about market mechanisms. Should market mechanisms now feature in the common agricultural policy?

[172] **Elin Jones:** Some of the market mechanisms provide an ability to have a safety net for production. Given the volatility of pricing in a number of agricultural sectors, there probably remains a case for retaining such a safety net for private storage. There are other market interventions that need closer scrutiny. If we think about the role of the CAP, export subsidy and the impact that it can have outside the EU, particularly in the developing world where farmers on the continent of Africa have milk powder suddenly appearing in their countries, there has to be, during this process, scrutiny of the wider impact of some interventions.

[173] **Michael German:** Taking that World Trade Organization green box/blue box issue and the impact of the CAP on world trade in food, how would changing the CAP—as will probably have to happen in recognition of its impact on the third world—expose Welsh farming; what will be the dangers?

[174] **Elin Jones:** If we think about the role the export subsidy has played, for example, I do not think that any changes to it would have a significant impact on the particular sectors that Welsh agriculture is in, namely the livestock sector, the red meat sector and the dairy sector. It could have an impact on skim powder and, possibly, cheese, but we are not primarily in the skim powder sector, although all these sectors are interrelated. However, if such a change is made to the common agricultural policy, I do not think that it would have a significant or immediate effect on Wales, and I think that it is our responsibility as an Assembly Government and here in Wales to always be thinking about the impact of our policies and practices on poorer farmers elsewhere in the world who are likely to be significantly disadvantaged by various mechanisms within the common agricultural policy. That will and needs to come under particular scrutiny during this review.

10.50 a.m.

[175] **Rhodri Glyn Thomas:** Gan Joyce **Rhodri Glyn Thomas:** Joyce has the final mae’r cwestiwn olaf, ar y broses negodi. question, on the negotiating process.

[176] **Joyce Watson:** You say that the European Parliament will have a key role in and influence on the debate on the future of the CAP and that officials have established initial contact with Welsh MEPs. Can you tell the sub-committee more about that and any plans that you have for future engagement?

[177] **Elin Jones:** We are in new territory here, in that our discussions previously have been

primarily with the European Commission, the UK Government and the Council of Ministers. Now that there is a far wider assembly of individuals and groups that can influence the final decision, I want to be involved as an Assembly Government, and the National Assembly and this sub-committee may want to be involved as well. Obviously, Wales has four MEPs, and we will want to seek their support for our position at some point. That would never be guaranteed, of course, but we hope that, on the whole, we can be a united front on behalf of the Welsh farming industry and the rural economy and environment in Wales.

[178] **Joyce Watson:** That is good; one of those MEPs is, of course, from UKIP. Some member states have already begun forming large negotiating blocs, of which the UK is not a part. What are the implications of that for the Welsh Government's position?

[179] **Elin Jones:** My view generally is that I would want the UK and Wales to be in the centre and the mainstream of the development of policy at a European level. Of course, we may get to a point during the discussions on the budget and the contents of the CAP where the view taken by the UK Government in a new guise may well be different to the view taken by this Government or the Scottish or Northern Ireland Governments. Those issues will need to be discussed and argued about at length, and they will be resolved or not resolved. However, that is an issue for future discussion.

[180] **Joyce Watson:** I do not really see much point in asking this last question, because I know what you are going to say, but if, when we have a newly formed Government—whatever it might be—you and the other devolved administrations reach a different view on the European Commission's proposal for the reform of the CAP, what avenues will be open to you to advocate your position and those of the people of Wales?

[181] **Elin Jones:** I would always want to seek to represent the views of this Government and, I hope, the wider view in Wales directly to the European Commission and the European Parliament. Of course, as a Welsh Minister, I do not have a direct voice in the Council of Ministers, but we would seek to use all opportunities available to us, including, if necessary, a public discussion with the UK Government on any disagreements that might arise in this process. However, I hope that we will not get to that point and that we will be able to present a united front on behalf of farmers in Wales and throughout the member state.

[182] **Rhodri Glyn Thomas:** Diolch yn fawr, Weinidog, a diolch i'ch swyddogion. Mae'r amseru yn berffaith; yr ydych yn gallu gadael cyn 11 o'r gloch. Yr ydym wedi ymdrin ag ystod go eang o faterion y bore yma, ac yr ydym yn gwerthfawrogi eich cydweithrediad, yn enwedig eich datganiad ynglŷn â'ch penderfyniad ar Glastir.

**Rhodri Glyn Thomas:** Thank you, Minister, and thanks to your officials. This is perfect timing; you are able to leave before 11 a.m.. We have dealt with a broad range of issues this morning, and we appreciate your co-operation, particularly the statement regarding your decision on Glastir.

[183] Cynhelir cyfarfod nesaf yr Is-bwyllgor Datblygu Gwledig ddydd Mercher 19 Mai yn y Senedd ym mae Caerdydd.

The next meeting of the Rural Development Sub-committee will be held on Wednesday 19 May in the Senedd in Cardiff bay.

10.55 a.m.

### **Cynnig Trefniadol Procedural Motion**

[184] **Rhodri Glyn Thomas:** Cynigiaf fod **Rhodri Glyn Thomas:** I move that



*yr is-bwyllgor yn penderfynu gwahardd y cyhoedd o weddill y cyfarfod yn unol â Rheol Sefydlog Rhif 10.37(vi).*      *the sub-committee resolves to exclude the public from the remainder of the meeting in accordance with Standing Order No. 10.37(vi).*

[185]    Gwelaf fod pawb yn gytún.

[186]    I see that everyone is in agreement.

*Derbyniwyd y cynnig.  
Motion agreed.*

*Daeth rhan gyhoeddus y cyfarfod i ben am 10.56 a.m.  
The public part of the meeting ended at 10.56 a.m.*