



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

Y Pwyllgor Amgylchedd a Chynaliadwyedd **The Environment and Sustainability Committee**

Dydd Iau, 17 Mai 2012
Thursday, 17 May 2012

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Cynnig o dan Reol Sefydlog Rhif 17.42 i Benderfynu Gwahardd y Cyhoedd o Weddill y
Cyfarfod a'r Cyfarfod ar 23 Mai
Motion under Standing Order No. 17.42 to Resolve to Exclude the Public from the Remainder
of the Meeting and the Meeting on 23 May

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 pwyllgor yn bresennol**Committee members in attendance**

Mick Antoni	Llafur Labour
Mark Drakeford	Llafur (yn dirprwyo ar ran Julie James) Labour (substitute for Julie James)
Yr Arglwydd/Lord Elis-Thomas	Plaid Cymru (Cadeirydd y Pwyllgor) The Party of Wales (Committee Chair)
Rebecca Evans	Llafur Labour
Vaughan Gething	Llafur Labour
Llyr Huws Gruffydd	Plaid Cymru The Party of Wales
Julie James	Llafur Labour
David Rees	Llafur Labour
Antoinette Sandbach	Ceidwadwyr Cymreig Welsh Conservatives

Eraill yn bresennol**Others in attendance**

Keri Davies	Grŵp Organig Cymru Welsh Organic Group
Sue Evans	Cyfarwyddwr Polisi, Cymdeithas y Tirfeddianwyr—Cymru Director of Policy, Country Land and Business Association—Wales
Ant Griffith	Is-gadeirydd, Cymdeithas y Tirfeddianwyr—Cymru Vice-chair, Country Land and Business Association—Wales
Emma Hockridge	Pennaeth Polisi, Cymdeithas y Pridd Head of Policy, The Soil Association
Dafydd Jarrett	Ymgynghorydd Polisi Ffermydd, NFU Cymru Farm Policy Adviser, NFU Cymru
Ieuan Joyce	Aelod o'r Cyngor, Cyngor Cefn Gwlad Cymru Council Member, Countryside Council for Wales
Bernard Llewellyn	Cadeirydd, Bwrdd Materion Gwledig NFU Cymru Chairman, NFU Cymru Rural Affairs Board
Rhian Nowell-Phillips	Dirprwy Gyfarwyddwr Polisi Amaethyddol, Undeb Amaethwyr Cymru Deputy Director of Agricultural Policy, FUW
Brian Pawson	Uwch-ymgyngorydd Amaethyddiaeth, Cyngor Cefn Gwlad Cymru Senior Agriculture Adviser, Countryside Council for Wales
Glyn Roberts	Dirprwy Lywydd, Undeb Amaethwyr Cymru Deputy President, FUW
Arfon Williams	RSPB Cymru

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

Lara Date	Clerc Clerk
Catherine Hunt	Dirprwy Glerc Deputy Clerk
Nia Seaton	Y Gwasanaeth Ymchwil Research Service

*Dechreuodd y cyfarfod am 9.01 a.m.
The meeting began at 9.01 a.m.*

Cyflwyniad, Ymddiheuriadau a Dirprwyon Introduction, Apologies and Substitutions

- [1] **Yr Arglwydd Elis-Thomas:** Bore da i chi unwaith eto. Diolch am eich parodrwydd i ddod gerbron y pwyllgor. Heddiw, byddwn yn clywed tystiolaeth lafar fel rhan o'n hymchwiliad i ddatblygiad Glastir. Ni welaf neb yn yr oriel gyhoeddus, ond rhag ofn y bydd rhywun yn cerdded i mewn, mae'r rheolau arferol yn weithredol.
- Lord Elis-Thomas:** Good morning once again. Thank you for your willingness to appear before the committee. Today, we will be hearing oral evidence as part of our inquiry into the development of Glastir. I cannot see anyone in the public gallery, but just in case anyone should turn up, the usual rules apply.

Ymwchwiliad i Glastir—Tystiolaeth Lafar Inquiry into Glastir—Oral evidence

- [2] **Yr Arglwydd Elis-Thomas:** Diolch am y papurau yr ydych wedi'u cyflwyno. Rwy'n credu ein bod yn eich adnabod chi i gyd.
- Lord Elis-Thomas:** Thank you for the papers that you have submitted. I think that we know you all.

[3] Ant, I do not think that you have been with us recently, have you?

[4] **Mr Griffith:** No.

[5] **Lord Elis-Thomas:** You are very welcome. The usual suspects are also welcome. *[Laughter.]*

[6] **Mr Griffith:** It is nice to be here.

[7] **Lord Elis-Thomas:** Thank you for coming.

- [8] Rwyf am ddechrau gyda chwestiwn cyffredinol, ac ymunwch fel y mynnwch. Rydych wedi cymryd rhan mewn trafodaethau ymgynghorol â'r Llywodraeth yn ystod y cyfnod hwn. Beth yw eich barn am y trafodaethau hynny, beth yw eich barn am yr ymateb, ac a ydych yn teimlo bod yr ymwneud â chi fel rhanddeiliaid—a defnyddio iaith ffasiynol y dyddiau hyn—yn adeiladol o'ch safbwynt chi?
- I want to start with a general question, and you may join in at any point. You have all taken part in consultative discussions with the Government during this period. What is your opinion of those discussions, what is your view of the response that you have had, and do you feel that your involvement as stakeholders—to use the fashionable lingo of the age—has been constructive from your point of view?

[9] I am not looking at Bernard and Dafydd in particular, but you usually like to start off, do you not?

- [10] **Mr Jarrett:** Mae gennyf un fantais fawr oherwydd, ym 1992, roeddwn yn swyddog prosiect gyda Tir Cymen pan oedd Tir Gofal yn cychwyn. I mi, y rheswm
- Mr Jarrett:** I have one great advantage because, in 1992, I was a project officer with Tir Cymen just as Tir Gofal was starting out. For me, the definite reason why Tir Gofal has

pendant pam y bu Tir Gofal yn gymaint o lwyddiant yw ein bod wedi cael profiad o Tir Cymen cyn hynny. Rydym wedi crefu a chrefu ar y Cynulliad, gan ddweud ni waeth faint o bwyllgorau ac o drafod sydd, yr unig ffordd o gael cynllun sy'n gweithio yw cael peilot iawn ohono. Dyna'r diffyg yma. Nid oes peilot wedi bod o gynllun Glastir, felly dyna pam rydym yn y sefyllfa yr ydym ynddi, yn bendant. Byddem wedi hoffi i'r Llywodraeth wrando mwy a chynnal cynllun peilot. Mae nifer o broblemau yn codi yn awr oherwydd pethau na chawsant eu rhagweld. Mae'n gynllun cymhleth, ac felly roedd hynny i'w ddisgwyl. Fodd bynnag, oherwydd bod hynny wedi digwydd, mae'r cynllun wedi bod yn destun *bad publicity*, os caf ei ddweud yn Saesneg. Unwaith y mae pobl yn dechrau siarad am gynllun nad yw'n gweithio, mae'r belen yn mynd yn fwy ac yn fwy. Mae'n biti nad oedd y Llywodraeth wedi gwrandao arnom a chael y peilot hwnnw i ddechrau, cyn cychwyn.

been such a success is the experience that we had of Tir Cymen prior to that. We have urged the Assembly time and again and we have said that it does not matter how many committees there are or discussions held, the only way to get a scheme that works is to conduct a proper pilot of it in advance. That is the weakness here. There has been no pilot scheme of Glastir and that is why we are in the situation in which we find ourselves; there is no doubt about it. We would have liked the Government to listen more and conduct a pilot trial. There are many problems now because issues that could not have been foreseen have arisen. It is a complex scheme, and so that was to be expected. However, because that has happened, the scheme has been the subject of some bad publicity. Once people start talking about a programme that is failing, the problem snowballs. It is a real shame that the Government did not listen to us and hold that pilot before establishing the scheme.

[11] **Ms Nowell-Phillips:** I am in total agreement there, from the very beginning. I, for my sins, was on the group that put together the Tir Gofal scheme. There was a group of us who sat down over two years and put together the scheme from scratch. Unfortunately, Glastir had been devised before the stakeholders were pulled together. So, we always felt that we were pulling apart rather than working together on a scheme. I fully support what Dafydd said: we called for the piloting of the scheme and a more staged introduction. Although it seems as though Glastir has been under development for years—well, it is used now—at the time, we felt that, to put a scheme together that could be introduced in 2014, it would need to allow for piloting, to be workable and practical for farmers. As Dafydd said, once you get bad news out there and farmers start talking in the markets, it is difficult to counteract that, even though they are sometimes quite wrong. The negatives always seem far more important than the positives.

[12] **Mr Llewellyn:** We do not need to be disingenuous or to discredit the Government totally, because huge strides have been made in the make-up of the scheme, with the points and so on. It has looked at things from a slightly more practical point of view. However, the major problem is communication. We are seeing a breakdown of communication at various levels. I had an irate telephone call last night from someone who had found out that I was coming here this morning and who said that, all of a sudden, the goalposts have been moved with regard to ACRES, that is the agricultural carbon reduction and efficiency scheme, over the past few days. It is a question of communicating what is needed in a precise way and ensuring that there are no mixed messages. That is part of the reason why the scheme is not being taken up as I certainly would have liked.

[13] In reality, we are committed and we are where we are, but we have to get farmers involved. Until there are clear messages and a clear commitment from the Government that it believes that this is the way forward, it will be difficult. I heard last night that the Government is putting pressure on to get the details about ACRES through by the end of May, which will be impossible, because professional people are involved in drawing up the plans and that sort of thing. It is impossible to get that timescale through to farmers when the Welsh Government itself cannot achieve that. Applications that were submitted in January still have not been

approved. So, communication is a huge problem and I would like to see civil servants, in particular, being more sympathetic towards the people who are advising farmers, if they are not prepared to talk to the farmers themselves. There is a lack of communication.

[14] **Ms Evans:** In answer to your question, we welcome the opportunity to discuss Glastir with the Welsh Government again and to take it forward. We are keen to try to present solutions. We understand that this review, if it is to be called that, is not to be implemented until January 2014. I can understand that, as it makes sense to try to implement anything new after the CAP review. As we all said pre-Glastir, the timing was not good given that the CAP review was coming forward. However, there are probably a few things that could be done beforehand that would be quick wins and may help to move the scheme forward and increase the number of farmers that take it up. For example, having a targeted element would make it open to all farmers, rather than only those in the all-Wales scheme.

[15] To elaborate on that, at the moment, ACRES is a great draw, particularly for dairy farmers. The targeted element could be a great draw, except that nobody knows whether they will be offered it or what they would be offered. If offers were to go out to all farmers in a targeted area, regardless of whether they are in the all-Wales scheme, the farmers could make a business decision based on the whole package that they would be signing up to. They could be signed up to the targeted element and the all-Wales element in one go. That would draw in a lot of farmers who feel that the payment under the all-Wales element is too small to warrant all the paperwork, the extra administration and the hassle that they believe they are taking on with the scheme.

[16] **Mr Roberts:** Ar ran Undeb Amaethwyr Cymru, diolch am y cyfle i gyflwyno tystiolaeth parthed y cynllun Glastir. Fel undeb, rydym wedi bod yn trafod agweddau ar y cynllun hwn ers y dechrau, ac wedi gwneud llawer o waith i'w drafod. Rydym wedi ceisio bod mor positif ag y medrwn i wella'r cynllun. Teimlaf ein bod wedi cyflwyno syniadau positif yn seiliedig ar brofiadau ymarferol ffermwyr sydd allan yn y caeau. Mae hynny'n bwysig iawn. Teimlaf ein bod wedi cael clust fyddar gan y Llywodraeth. Pe bai'r Llywodraeth wedi gwrando a dangos mwy o ewyllys i gydweithio a gwrando, rwy'n siŵr y buasem wedi gallu mireinio'r cynllun i fod yn llawer gwell, ac ni fyddai wedi bod angen archwiliad Rees Roberts ac ymchwiliad y pwyllgor hwn.

Mr Roberts: On behalf of the Farmers' Union of Wales, thank you for the opportunity to present evidence on the Glastir scheme. As a union, we have been discussing aspects of the scheme from the very outset, and have done a lot of work to discuss it. We have tried to be as positive as we can to improve the scheme. I feel that we have put forward positive ideas based on the practical experiences of farmers out in the fields. That is very important. I feel that the Government has turned a deaf ear to us. If the Government had listened and showed more willingness to collaborate and listen, I am sure that we could have refined the scheme to be much better, and we would not have needed Rees Roberts's review or this committee's inquiry.

[17] **Yr Arglwydd Elis-Thomas:** Mae hynny'n ddiddorol o'n safbwynt ni. Rydych yn gwybod pa fath o broses rydym wedi'i dilyn o'r blaen, ac fe fydd y pwyllgor yn parhau â hynny. Nid ydym yn rhan ffurfiol o ymgynghoriad y Llywodraeth, ond gan ei bod yn gwneud astudiaeth ochr yn ochr â'n hymchwiliad ni, bydd yn cael ei fwydo i mewn. Byddwn yn galw'r Gweinidog a'r swyddogion i gyfrif yn galed am hyn. Byddwch chi i gyd yn gwybod ein bod wedi

Lord Elis-Thomas: That is interesting from our perspective. You are aware of the kind of process we have followed previously, and the committee will continue with that. We are not a formal part of the Government's consultation, but because it is undertaking a study alongside our inquiry, that will be fed in. We will be robust in calling the Minister and the officials to account on this. You will all know that we visited the European Union Parliament to speak with the relevant

bod yn Senedd yr Undeb Ewropeaidd yn committees and the Commission. This
 siarad â'r pwyllgorau perthnasol a'r committee can act as a platform for you in
 Comisiwn. Mae'r pwyllgor yn llwyfan i chi presenting your arguments further.
 wrth iddo gyflwyno eich dadleuon
 ymhellach.

[18] **Vaughan Gething:** On our recent trip to Brussels, it was interesting to hear the messages about progress with payments. One principle that underpins Glastir and agri-environment schemes is the idea that farming has a demonstrable public good, over and above food production, and an environmental benefit—there is something for something in terms of the obvious publicly funded support that goes into the agriculture industry. I am interested in where you are, because I am a little confused about some of the messages and about how much of this is to do with the past and how much is to do with where we are now. I understand, from what the NFU said, that there was unhappiness about the way in which the scheme was introduced and the lack of an initial pilot scheme. I am interested in where farmers believe you are now with current relations with the Welsh Government and with what has happened since the Rees Roberts review. Is the scheme in better shape for farmers to come on board? Is the main challenge informing farmers and landowners about what the scheme really is, rather than what they think it might be? We do not want the inquiry to come to the conclusion that people do not understand what the scheme is, because that is really unhelpful. However, if that is the position, clarity on that would be helpful. It would also be useful, from our point of view, to understand where you are with the idea of public good in the form of environmental improvement—the idea of having something for something, as a result of public support. Sometimes, I am not sure how clearly that comes across. I do not want to put words in your mouth about what your respective positions are.

[19] **Ms Nowell-Philips:** The public good argument sounds great, but Europe will not let any member state pay an incentive for agri-environment work; it is all based on payments forgone. A farmer does not make anything from undertaking agri-environmental work. He does it because it covers what he has put out. It is a World Trade Organization requirement that green-box schemes must be based on income foregone. The public good can sometimes be a bit of a misnomer. Environmental management could be a marketing tool if farmers produced environmental goods for an incentive payment, but, in reality, they would have to do the sums to break even on the work that they would undertake. That is why we have problems with farmers perceiving the scheme as one that takes productive land to gain points, rather than managing habitat land.

9.15 a.m.

[20] **Vaughan Gething:** During the next stage of CAP and the arguments around what should or should not happen with the elements of greening, it is difficult to try to suggest that there will not be further greening in respect of what agriculture will have to do to get those payments in the future. This is about what will happen with direct payments, regardless of people's take on the proposals for greening in pillar 1. It is also about whether there is movement towards the position that we have advocated, namely that people are proposing worthwhile agri-environment schemes. There is no equivalent across Europe at the moment. During our recent visit, we pressed the point that if there was to be a sign-off to an agri-environment scheme that guaranteed you the greening element of pillar 1, that would be about receiving something for something in respect of direct payments. Is this not partly about where we are going to be at the end of CAP reform? We cannot anticipate every detail, but it would be wrong to say that we do not all understand the very clear policy direction from the Commission, and I do not think that that is going to get derailed.

[21] **Ms Evans:** I would like to follow on from that and respond to it. We were talking about compensation for profit forgone and how all of this functions. One of our greatest

concerns is the concentration on creating new habitat, and the fact that farmers who have done this under Tir Gofal and who are now entering into Glastir are likely to find themselves in a situation where they are told, 'In respect of that land that you have created as habitat, you are no longer going to be paid for that being the habitat that you have created.' Basically, over a 10-year period of Tir Gofal, they will have been paid an annual compensation payment for profit forgone, plus costs. However, after those 10 years, the comment from the Welsh Government to the farmers is, effectively, 'You are not due for any more payments because your land is at this level at the moment; therefore, there is not compensation for profit forgone because you have only been grazing two ewes per acre. The fact that you were grazing five per acre 10 years ago is irrelevant.'

[22] We believe that this is where there is a big gap at the moment. You need to be able to look at the whole picture of what is possible on the ground and at a far more creative way of approaching compensation for profit forgone plus costs, to ensure that you can keep farmers interested and to ensure that they do not start seeing this as a loss in the long term, where they are devaluing a capital asset. I believe that there is a big problem in the long term. If farmers start working this out—namely, that they will basically get paid for five years for converting something into something that is worth less as a capital asset and is less creative, and then get paid nothing after that—you will be creating a situation where farmers will not enter into schemes in the first place and definitely will not be creating habitat.

[23] **Vaughan Gething:** I understand where you are coming from. Part of the discussion that we have had is about making sure that people who have made environmental gains do not end up suffering as a result of them. That is why I wanted to clarify how much of the current unhappiness relates to where we are, as opposed to where we were, and the problems associated with that. I also wanted to clarify whether you feel the Welsh Government is now in a more constructive relationship, and is engaged in a more constructive listening and communication exercise.

[24] **Mr Jarrett:** I would like to come in here. Following the Rees review, of which we were a part, we have moved forward a heck of a lot. However, it is the perception of the scheme that we are trying to address now, in relation to what has happened in the past. The profit forgone scheme has improved enormously and has made it much easier for people to come in. We acknowledge that. Getting that message over is now difficult, and I think that you must appreciate that. We are moving forward, but this is quite a complex scheme, which was made to fit the Assembly's own different agenda on the environment, climate change and so forth. It has made the issue more complex. The point that it is a bitty scheme adds to the problem.

[25] Farmers are businesspeople. They must look forward five to 10 years, and it is quite a difficult time to look forward now. The message coming from the Welsh Government, namely that spending on agri-environment in the next RDP will reduce from 80% to 60% of the RDP budget, is registering with members. Members need to commit. They committed to Tir Gofal for 10 years. They are making a huge commitment, and they must see a way forward for the scheme. That is the decision that they are making, which is a difficult one at times. We welcome the Deputy Minister's statement that they can pull out after two years if the greening issue affects them. That can only be a good thing.

[26] It is quite difficult to look at the whole picture. ACRES is a prime example. Initially, fewer than 100 people were offered ACRES. It meets the Welsh Government's climate change and energy saving objectives and so on, and yet, initially, the scheme was only offered to about 100 people. We very much welcome that 700 or more people have now been offered the scheme, and the scheme is working well. You talked about profit forgone; we are restricted by that. We need to think outside the box because there is a lot of work being done now on hedges, for example. Hedges are making a huge contribution to climate change

mitigation in the same way that woodland is, but that has not been recognised. In recognition of that, you could potentially look at points for hedges. There are lots of things like that. We are moving forward, to answer your point, but we must continue to move forward. That is why we welcome the review.

[27] **Vaughan Gething:** So, where do you see us moving from this point? It is a fair point, and I understand the points being made in the written evidence and orally about not wanting to see previous gains meaning that farmers think they are losing out for the future, but where do we go next?

[28] **Ms Evans:** Where we go from here is completely dependent on farmers' feedback in the marketplace and in conversations about Glastir. There is not a great deal we can control in as much as that the whole dynamic movement of Glastir will be based on what farmers who have gone into the scheme are saying. At the moment, the most important people in this are those who have entered the scheme this year. It is a case of getting them to say positive things. As Dafydd was saying, the message about ACRES has really got out there now, and there is a huge influx of dairy farmers into Glastir. At the beginning of Glastir, there was great concern that there was nothing in there for dairy farmers. So, there has now been a huge influx of dairy farmers because of ACRES. They are keeping the numbers up; the numbers would be a lot lower otherwise. Again, we believe that you need to keep the momentum going. There is a possibility to do more things, perhaps looking at the targeted element, so that people can see more opportunities.

[29] **Vaughan Gething:** I have a final question on the point you just made, which I know you referred to in your evidence, about getting people who are already in Glastir to talk about their actual experience, particularly where that has been positive, in order to deal with the communication issues that you have all mentioned. This is obviously our inquiry, so, can you tell us how that could or should be done, by you as stakeholders and the Welsh Government? This is not simply about saying, 'You go and do it' or equally, 'Deputy Minister, it's all up to you'.

[30] **Ms Evans:** No, that element is mainly going to be done by word of mouth, through the farmers. However, the Welsh Government needs to ensure that, for those guys who are in the scheme now, there are no problems with administration or communication, that all of those issues move smoothly and that the whole process works well for farmers who are invited into the targeted element. If that happens and the scheme they eventually end up with is positive, the targeted element and other parts of the scheme will become attractions rather than a big element of suspicion.

[31] **Mr Griffith:** As regards the review panel, I would just like to add that we are where we are. We like an ongoing conversation, and it is very important that that message that you are still listening gets across. You need to be constantly aware of the issues at stake and to be able to adapt the scheme going forward. Farmers need to feel that you are prepared to listen to the unions and stakeholders and to adapt the scheme to constantly improve it. I do not think that the 'use it or lose it' quotation we have heard before is particularly helpful. That sort of message—

[32] **Vaughan Gething:** Is that a recent or historic message? I would like clarity on that.

[33] **Ms Evans:** It is from this year.

[34] **Mr Jarrett:** If you want suggestions about moving forward, one of the suggestions that we have put in our paper is to take ACRES out of the all-Wales element, because it is hugely popular; you are targeting farmers you would not target otherwise. If they can get into the AWE, you are meeting Welsh Government objectives on the climate and environment.

We would also go further: there is a clear case now to look at part-farm schemes. You mentioned the discussions that you had in Europe; you will have more greening of the CAP and you will be covering the whole farm in that element. To move forward, the Government should seriously consider part-farm schemes and having ACRES as a separate scheme for those people who wish to have it separate to the all-Wales one.

[35] **Yr Arglwydd Elis-Thomas:** Cyn imi alw Antoinette, dylwn fod wedi ymddiheuro ar ran Russell George a William Powell, gan eu bod yng nghyfarfod blynyddol Cyngor Sir Powys, a nodi y bydd Mark Drakeford yma i ddirprwyo ar ran Julie James cyn bo hir.

Lord Elis-Thomas: Before I call on Antoinette, I should have apologised on behalf of Russell George and William Powell, because they are at the annual meeting of Powys County Council, and note that Mark Drakeford will soon be here to substitute for Julie James.

[36] **Antoinette Sandbach:** One thing that has been identified in a number of papers is the paperwork that is involved in the scheme. How can that be improved and minimised? Is there a simplification that can be made? If the answer to that is 'yes', where and how?

[37] **Mr Jarrett:** I have brought my son's package with me, and that is only the Welsh-language one—they either get the Welsh or the English one. If the regional package was reduced, for example, and taken out, that would be a huge simplification. The reason I say that is that only nine applied for the regional package. Remember that this is an entry-level scheme. There are good, positive things in packages like this, but we feel that they should be in the targeted element, not the other. So, if they truly want a simplified scheme, one thing that they should consider is taking the regional package out.

[38] **Antoinette Sandbach:** Other evidence that the Countryside Council for Wales has provided to us suggested that the regional package should be targeted at particular farmers in that region, so that they only get information on the package in their region, rather than all the regions, which, as I understand it, is what happens at present. Do you think that that is a good idea? I was thinking less about the pack that they have to fill in than the subsequent record-keeping requirements and what can be simplified in those. I know many fantastic farmers who do wonderful things for the environment, but record keeping is not their strong point, and if it had been, they would have gone into administration or another type of business.

[39] **Ms Nowell-Phillips:** One of the concerns that we have heard from people who have signed up was that they did not realise, until they had signed on the dotted line, the amount of field records and record keeping that would be required. As Sue said earlier, you want the people who have gone into the scheme to have a good experience, so that positive word of mouth gets out. During the stakeholder meetings, we raised concerns about the field records that were required to be kept for some of the habitats, and they are quite onerous. We believe that there are ways around that, such as accepting a farm diary, because most farmers will keep a farm diary, or tweaking that farm diary so that it meets the requirements of the scheme or European requirements. If there is a will to reduce the amount of bureaucracy and paperwork, there are ways around them that are more farmer friendly, rather than being about meeting some bureaucratic requirements.

[40] **Antoinette Sandbach:** Can you give us some idea? Some people on this committee are not farmers and do not know about the record keeping and what type of things are required.

[41] **Ms Nowell-Phillips:** It would be what you are doing on a field: if you are putting any fertiliser out and when you are putting stock out or moving stock—so, if you moved three sheep out of the field, that would have to be recorded. It is everything for every field, so if you have a lot of fields, that can result in a substantial amount of paperwork.

9.30 a.m.

[42] **Antoinette Sandbach:** You are suggesting a farm diary as a process to qualify for that record-keeping requirement.

[43] **Ms Nowell-Phillips:** Yes.

[44] **Ms Evans:** Also, going one step further, the records are only required to be kept—*[Interruption.]*

[45] **Lord Elis-Thomas:** You will be called. *[Laughter.]*

[46] **Ms Evans:** The records are only required to be kept for habitat areas for fields that actually have some type of interest, which is being paid for, rather than all fields on the farm that are not listed in the agreement as being of any particular value. That would hugely reduce the requirement.

[47] **Antoinette Sandbach:** So, where—

[48] **Lord Elis-Thomas:** Bernard wants to come in.

[49] **Mr Llewellyn:** I would like to take it even further than that, in reality, because of the detail that has been asked for. If there was reasoning behind it, I could understand it, but, quite frankly, farmers are asked what day a field was topped or harrowed. How relevant will that be to the environment within that field at any stage? Europe is constantly being blamed for these things. I was in Brussels about a month ago, and I looked at a scheme from the west coast of Ireland. There, farmers were told, 'Look; this is what we want at the end of the day—if you get there, you will get a 100% payment; if you do not get there, you will not get the payment'. What happens in between is almost irrelevant, but people just like to have control over these things. It is a bit of a power thing. Farmers have to weigh the muck that goes out onto a field. The amount of paperwork is just incredible. Even with the stocking diary, you would have to question it. As long as the end result is right, what difference does it make? A stocking diary will vary, to the advantage of the land, according to weather. I have not turned any of my young stock out yet. In reality, that might mean that no stock will have been in it for the whole of May, but that is because of weather conditions, not because of what some bureaucrat has told me. What is being asked for is being blamed on Europe, but, in reality, I do not accept that. It is as simple as that.

[50] **Lord Elis-Thomas:** Therefore, you are saying that you would like us to ask the Welsh Government to ensure that the important thing is that schemes comply with European regulation, and that they should not be copper-bottomed—or whatever the jargon is these days?

[51] **Mr Llewellyn:** This is an entry-level scheme and we are asked for information that would be required at a much higher level. If we are to encourage the whole of Wales into it, you have to come back to this entry-level idea.

[52] **Ms Nowell-Phillips:** It is a matter of output. It is what you want to create at the end of the day that is important. Sometimes, people forget that farmers have been around for generations. Tell them what you want, give them a bit of freedom to produce it, and then they will get paid for it.

[53] **Mr Jarrett:** On simplification, we realise that the Welsh Government needs to monitor schemes, but not only are people required to keep the stocking on a piece of land, it

also needs to be measured according to the height of the vegetation. It should be one or the other, but at present, with this scheme, it is both. The regulation requires monitoring, but they are doing both. Antoinette mentioned people who do not realise what happens—for each upland or grassland field, a farmer needs to go through nine stages. It is quite a complex issue once you have committed yourself to the Glastir scheme.

[54] **Rebecca Evans:** What sort of early feedback have you had from members who have entered the scheme? Have they had any positive experiences that you could share with us?

[55] **Mr Griffith:** I do not think that anyone knows yet. *[Laughter.]*

[56] **Ms Nowell-Phillips:** You will probably find that unions rarely get feedback on the positive points. We get feedback when there is an issue. Very few farmers will ring me up and say, ‘Wow; this is great’, but they will ring up about negative points. The paperwork has been the main topic of the feedback that we have had. Farmers had not realised in all the training, habitat training and so on beforehand—I must say that Farming Connect and the work that was done to help farmers before going into Glastir was great—how onerous the paperwork would be. Sue said earlier that it is important to get those positive stories. If we do not get people complaining, the assumption is that it must be okay, but, on the other hand, people rarely ring us to say, ‘This is absolutely fantastic’. That is not how it works. So, the feedback that we are getting is about paperwork.

[57] **Rebecca Evans:** Chair, perhaps the committee needs to consider how to get a broader picture of the farmers’ experience for our inquiry.

[58] **Mr Jarrett:** We have heard positive feedback since the change following the Rees Roberts review. It is now easier for people to enter into the scheme and the Welsh Government allowed people to change things in the scheme as a result of that review. So, we have certainly received positive feedback about that. We are only five months into the scheme, and the payment will not come until the end of the year, so it is slightly early to get more positive feedback.

[59] **Mr Llewellyn:** I am worried about who is enjoying this scheme. The scheme suits a lot of very small farmers down to the ground, as well as a lot of older farmers, guys like me, who are looking to wind down. I am not quite sure whether that is good for a progressive industry.

[60] **Lord Elis-Thomas:** I do not believe that you are capable of winding down. *[Laughter.]*

[61] **Mr Llewellyn:** We should be encouraging younger, progressive farmers into this sort of scheme, not those who are winding down.

[62] **Rebecca Evans:** As Antoinette pointed out, we are not all farmers around the table, so could you tell us a little more about the role of project officers, whether there are enough of them and whether they offer the right sort of support? Could their role be expanded to be more helpful?

[63] **Ms Evans:** The CLA was supportive of the fact that there would not be project officers, in as much as it saves costs. When farmers are asked whether they would rather have more money going into the scheme or for it to be paid to a project officer, and for them to go out to find their own advice, they are happier for it to go into the scheme. However, some issues have come out of this. A lot of the work that has been targeted within Glastir, such as digging a pond or planting trees, can only be done on intensive or semi-intensive ground. That is because no-one would be available to do an environmental impact assessment to judge

whether the ground that they were proposing to put something on would be suitable and would not spoil some existing habitat. The problem with that is that no-one in their right mind is going to create habitat on good agricultural land when produce that they are selling off-farm is buoyant and doing well. So, you are effectively killing that element of the scheme. If you were going to dig a pond, you would find a marshy piece of ground and you would put the pond in the wet piece of ground. However, those pieces of ground are not eligible, because no project officer is available to be able to tell whether there is existing habitat that is valuable in that area. That is the explanation that we have been given.

[64] So, there is a gap—a situation of throwing the baby out with the bathwater. Even though it is a good thing that there are no project officers, for example in terms of saving costs, which are all ploughed back into the scheme, it is also rather crazy that the scheme is created to such an extent that you cannot create habitats in areas where farmers are willing to create them.

[65] **Llyr Huws Gruffydd:** Rydym wedi treulio rhyw 40 munud yn trafod y themâu cryfaf, megis y broblem gyfathrebu. A oes diffyg adnoddau yn Llywodraeth Cymru i weithio a chyfathrebu'n effeithiol â ffermwyr ac i ddelio â rhai o'r problemau sydd wedi codi? Sonioch am swyddogion prosiect—oni fyddent yn helpu â rhai o'r problemau hyn?

Llyr Huws Gruffydd: We have spent some 40 minutes discussing the strongest themes, of which communication is one. Is there a shortage of resource within the Welsh Government to work and communicate effectively with farmers and to deal with some of the problems that have been arising? You mentioned project officers—would those not assist with some of these problems?

[66] **Mr Llewellyn:** I am not sure whether it is a shortage of officers or a shortage of the right sort of officers, namely people who have an inkling about what makes farmers tick and who have a willingness to co-operate, particularly with consultants. I have certainly seen evidence that that just is not there. It is a new scheme, and there are bound to be teething problems, but I think that the Welsh Government could have been an awful lot more open about the way in which it dealt with it.

[67] During the Rees Roberts review, we were told certain things, including that it was impossible for that to happen, but now, all of a sudden, we see that it is happening. So, we were fed quite a lot of misinformation at that time, and I am fairly certain that we are being fed misinformation now as well, because it does not quite fall into the category that past schemes have. So, this is about the willingness of officers to think things through, and more so with consultants than with farmers, in all honesty, as we find that most schemes are done by consultants anyway.

[68] **Mr Jarrett:** Mae un profiad positif sydd wedi helpu. Mae pobl wedi ei chael hi'n anodd weithiau i ddod i mewn, ac mae ganddynt gwestiynau sydd heb gael ateb. Y rhai sydd wedi eu helpu fwyaf yw cynswyddogion Tir Gofal sydd erbyn hyn yn gweithio i'r Llywodraeth. Maent wedi bod yn help mawr. Y teimlad yw bod cynifer o rannau i'r cynllun fel bod pobl yn dweud nad nhw sy'n delio â'r rhan hon neu'r rhan arall, ond dylai fod un person y gallwn fynd ato gyda chwestiwn a chael ateb pendant yn syth—boed gan y person hwnnw neu gan rywun a gyflogir ganddo. Dyna a ddylai ddigwydd. Mae amrywiaeth o fewn Cymru,

Mr Jarrett: There is one positive experience that has helped. People have sometimes found it difficult to get into the scheme, and they have unanswered questions. Those who have helped them the most are the former Tir Gofal officers who now work for the Government. They have been a great help. The feeling is that there are so many elements to the scheme that people say that it is not them who deals with this part or that part, but there should be one person we can go to with a question and get a definitive answer straightaway—whether from that person directly or someone employed by them. That is what should happen. There is variation in

ac mae lleoedd sydd wedi cael help. Roeddwn wedi sôn bod pobl eisiau newid y cynllun ar ôl adolygiad brys. Roedd help i gael yn y gogledd a oedd yn reit dda—yn Llandudno yn arbennig ac ym Mhenrhyn—ond nid oedd ar gael mewn lleoedd eraill. Byddai cael un person i fynd ato i gael ateb, byddai'n fendith mawr i bawb.

Wales, and there are places that have been helped. I mentioned that people wanted to change the scheme after an urgent review. Assistance was available in the north that was particularly good—in Llandudno especially and in Penrhyn—but that was not available elsewhere. If there was one person to turn to to get answers, that would benefit everyone.

[69] **Llyr Huws Gruffydd:** Yn sicr, mae ffermwyr wedi dweud wrthyf fod anghysondeb yn yr hyn sy'n cael ei ganiatáu mewn rhai ardaloedd ac nid mewn ardaloedd eraill. Pa mor nodweddiadol o'r rhaglen y mae hyn wedi bod, o'ch profiad chi?

Llyr Huws Gruffydd: Farmers have certainly told me about inconsistencies in what is permitted in some areas but not in others. How much of a feature of the programme has that been, in your experience?

[70] **Ms Nowell-Phillips:** Some of the feedback has been that it is all down to how good a staff member is or the people in a particular office. It always helps if you have one person—where the buck stops, basically. I do not think that internal changes in the public sector have helped. They have probably meant that people have moved on, so that the people who had experience of working with Glastir from the beginning have moved on to pastures new, whether they have just gone or have retired. There is not much that you can do about it, but looking to the future, to consolidate that experience, you should get a person or a couple of people who can say 'yes' or 'no' to the questions that are coming up.

[71] **Ms Evans:** Hoffwn ychwanegu peth arall sy'n bechod, mewn ffordd, sef nad yw ffermwyr ac ymgynghorwyr busnes ffermio yn credu y gallant lenwi'r ffurflenni a chyflwyno'r cais eu hunain. Cefais hyn y diwrnod o'r blaen gyda rhywun sy'n ymgynghorydd ei hun, a dywedais wrtho am sbio ar yr adran gyntaf a mynd drwy'r pwyntiau oedd o ddiddordeb. Siaradais ag ef am 10 munud, a gweithiodd allan y gallai lenwi'r ffurflen ar ran ei gleient. Cyn hynny, roedd wedi fy ffonio i ofyn pwy y gallai ei gyflogi i'w llenwi dros ei gleientiaid. Felly, rwy'n gobeithio y bydd y neges yn mynd allan ar ôl y tro hwn bod ffermwyr yn gallu ei llenwi eu hunain, yn enwedig os oes ganddynt brofiad o fod wedi ei gwneud gyda Tir Gofal o'r blaen. Nid yw mor anodd ag y mae pobl yn credu.

Ms Evans: I just want to add another thing that is a great shame, in a way, which is that farmers and farm business consultants do not think that they can fill in the forms or submit the applications themselves. This came up the other day with someone who is himself a consultant, and I told him to look at the first section and to go through the points that were of interest. I spoke to him for 10 minutes, and he worked out that he could fill the form in on behalf of his client. Before that, he had phoned me to ask who he could employ to fill it in for his clients. So, I hope that he message goes out after this time that farmers are able to fill it in themselves, especially if they have previous experience of doing it for Tir Gofal. It is not as difficult as people think it is.

[72] **Mr Jarrett:** Un o'r pethau positif yw'r ffaith bod y daenlen ar gael i weithio allan y pwyntiau. Rhaid canmol honno, achos mae'n gweithio'n dda. Gorau po fwyaf o wybodaeth a manylion clir a chywir y gallwch eu rhoi yn y bocsys sy'n dod i fyny. Bydd hynny o help yn y dyfodol. Mae cyfle i roi mwy o wybodaeth ar y daenlen. Gyda'r swyddog prosiect, byddai hynny'n sicr o fod yn help. Mae hynny'n bendant yn elfen

Mr Jarrett: One of the positive aspects is the availability of the spreadsheet to work out the points. I have to praise that, because it works well. The more information and clear and correct detail that you can include in the boxes that come up, the better. That will be a help in future. There is an opportunity to include more information in the spreadsheet. With the project officer, that would certainly be helpful. That is certainly a positive

bositif am y cynllun.

element of the scheme.

9.45 a.m.

[73] **David Rees:** Good morning, everyone. I want to clarify two points. First, on the record-keeping side of things, you are clearly looking for a greater emphasis on simplifying the entry level for the schemes, but do you also recognise that there is perhaps a difference between the entry level and the higher levels and, therefore, there would be a difference in the record keeping? So, it is a clarification and making it easier for people to come into the scheme in the first instance.

[74] **Ms Nowell-Phillips:** It is a case of remembering that it is an entry-level scheme. For Tir Gofal farms, for example, the prescribed record-keeping requirements have become more detailed. Farmers expect a certain level of record-keeping, which makes sense across that habitat, but, sometimes, one of the issues with Glastir generally is that it is an entry-level scheme, but sometimes people forget that, and so the scheme can be quite complicated in comparison with previous entry-level schemes. People have gone into Glastir and have then been surprised by the record-keeping requirements, because they may previously have been in the Tir Cynnal entry-level scheme, which had nowhere near the same record-keeping requirements as Glastir.

[75] **Mr Llewellyn:** I could have walked into this scheme and done very little. I keep longhorn cattle and I have some land around the castle that has no fertiliser applied to it. So, I could have walked into it. However, the one thing that concerned me was the stocking diary. I show cattle and, as a consequence, I talk to the British Cattle Movement Service all the time. I would not have to make many slip-ups within that scenario, because moving cattle about the place is quite complicated, before finding my single farm payment being put at risk. We are not talking about a huge amount of money here—my payment would have been under £2,000, in reality—and because I might have put my single farm payment at risk for the sake of doing this scheme and because of the hassle involved with it, quite frankly, I said, ‘Thank you, but no thank you’. Until people realise that an entry-level scheme should not require this level of data collection—and for no reason at all, in my opinion, as I just cannot understand why it is needed—farmers will ask whether they need to risk their single farm payment, which is for at least the next two years, by chancing their arm and going into Glastir. It was very simple for me: I just did not think that it was worth the effort.

[76] **Mr Griffith:** I agree with Bernard. I have been in Tir Gofal for 10 years and I have looked at this scheme. The Welsh Government has to look at the level of detail that is requested and ask why it is requesting that information. That is the question that needs to be asked. Is it relevant? The farmers do not think that it is relevant and they cannot see why on earth they are doing it. The whole thing has to have a level of practicality. When you have to move from a grazed area, it does not work if you put 2.6 livestock units when you have x number of cattle. It has to have a level of practicality to it and, sometimes, I think that that is missing. So, that needs to be asked by the Welsh Government.

[77] **David Rees:** As has already been pointed out, some of us are not farmers and some of us represent less rural areas—and I use the term ‘less’ because we tend to have areas that are upland farm areas, and less-favoured areas are an issue. Can you go through the issues that you have identified that are more problematic for those in less-favoured areas in the schemes?

[78] **Mr Llewellyn:** I think that that is difficult, because, looking at the scheme as it stands, I agree with the Welsh Government that it is quite difficult to justify having a different level because of how the whole thing has come together. We were conned a bit when we were told that nothing was available, but, in actual fact, there are LFA-type schemes for disadvantaged areas throughout Europe. So, perhaps this is not the ideal vehicle to support

upland framers. Quite frankly, there would be no farming in the upland areas without some sort of support, so it is difficult to say that costs will be higher within an LFA than out of it—but that does not alter the fact that that is an awful lot more difficult to farm in those areas.

[79] **Mr Roberts:** On that point, I remind everyone that Wales is the only country in Europe that does not have an LFA compensatory allowance payment off our handicap at the moment. I ask whether that is fair on Wales, under a common agriculture policy with Europe. I tend to believe that we will not see the impact of losing Tir Mynydd until 2013, and therefore I ask for an economic assessment to see what effect losing Tir Mynydd and not getting any LFA payment will have.

[80] **Mr Jarrett:** A lot of the farms covered would have dry stone walls, I suspect, and not hedges, because of the area that they are in. That has always been a gripe of ours. If Glastir is truly to be an all-Wales scheme, it should recognise dry stone walls as it does hedges. At the moment, it does not. If you added that small element, it would help people in the less-favoured areas that you are talking about, because they are scoring points on something that they have on the farm. At the moment, they do not have the ability to score any points, even if they have really tidy walls on the farm. That is just a small thing, but it is quite an important thing if it is really truly to be an all-Wales scheme.

[81] **Ms Evans:** I totally agree with Dafydd on that one. Beyond that, a whole stone-walling industry was created from Tir Gofal. A lot of young people went into it, trained in it and built up businesses in it, some of which are quite substantial local businesses that employ a lot of young people, but without any support in an agri-environment scheme for stone walling, it will stop, because it is very expensive—and we understand that that is why the Welsh Government has not included it in Glastir. However, you will damage a whole industry in a rural area by doing this.

[82] **Lord Elis-Thomas:** It is very expensive, but the visual impact for tourism is very striking, and it has other agricultural uses, such as for habitat management and so on.

[83] **Ms Nowell-Phillips:** Because agri-environment schemes are meant to be there for the environment, we sometimes forget about the impact that they have on rural economies. The work that was done on Tir Gofal proved that. In those areas where a number of schemes are working together, they keep communities going and have a significant impact. It is a by-product, so it is not seen as important by Europe, but it could be quite significant for a rural economy.

[84] **Lord Elis-Thomas:** Antoinette, round 2. [*Laughter.*]

[85] **Antoinette Sandbach:** I wanted to ask about the choice of options that are available. CCW suggested that upland farmers should be allowed to choose one habitat option. What are your views about that? It also suggested using a split list approach of options, under which applicants would be obliged to choose at least some options from group A, field boundaries, and at least some from group B, other habitats, water quality, and so on. What do you think of those ideas?

[86] **Mr Jarrett:** The question is what the Government wants. Does it want people in the scheme, or does it want a scheme that suits its needs? I would suggest that, as a Government and as a country, we would be much better off having as many people in the scheme as possible, and not putting restrictions on them. They have had this split list in England, and it is very unpopular with farmers there. You could argue that they have a much broader list to choose from than we have and even so, they are unhappy about it. So, if we have this split list in Wales, it will be another step backwards and another reason for people like Bernard not to go into the scheme.

[87] **Ms Nowell-Phillips:** Part of the Rees Roberts review was to move away from a list in order to make it easier for some farmers. It could be recommended that they take more than one option, and you could encourage them, but we have to be careful about going back to the pre-Rees Roberts review situation, where there was a requirement for several options.

[88] **Ms Evans:** The current limitations on certain choices definitely limit the accessibility of the scheme for certain farmers—or that is how they see it. If upland farmers who have a lot of one thing, for example, heath, could enter the whole lot as heath, then that would be a good thing from our point of view, because they may have very little else to offer. To have to choose from a category that looks at boundaries when all they have is the odd fence on an upland and nothing else, that really excludes them completely. So, that would be very welcome, and it would be worth looking at the upper limits of some of the other things that are in there at the moment as well, which are stopping people getting in.

[89] **Antoinette Sandbach:** Can you tell us what those are?

[90] **Ms Evans:** It is a lot to do with the boundary elements. I would have to get back to you on this. We were looking at it the other day, but I cannot remember the details. We should have brought the documents with us, but we could produce something if you wanted us to look into it some more.

[91] **Antoinette Sandbach:** That would be very helpful, if you think that that would help to inform the work that the committee is doing.

[92] **Yr Arglwydd Elis-Thomas:** Mae ardal arall rwy'n awyddus i holi Sue ac Ant yn enwedig ynglŷn â hi, ond byddai o ddiddordeb i'r gweddill ohonoch, sef, yr agweddau ar gynlluniau coedwigaeth yn Glastir. Yr ydym wedi cael llawer o sylwadau ynglŷn â hyn yng nghyswllt yr ymchwiliad hwn a hefyd yng nghyswllt yr ymchwiliad yr ydych wedi ein cynorthwyo arno—byddwch yn ymwybodol iawn o'r hyn yr ydym wedi bod yn ei wneud—sef yr ymchwiliad i'r un corff amgylcheddol a'i effeithiau ar goedwigaeth. Byddai'n dda gennyf gael gwybod eich barn ar hynny y bore yma.

Lord Elis-Thomas: There is another area that I was eager to ask Sue and Ant in particular about, although I am sure that it will be of interest to the rest of you, that is, the aspects of forestry within Glastir. We have heard numerous comments on this in relation to this inquiry and also our inquiry that you have assisted us on—you will be very aware of what we have been doing—that is, the inquiry into the single environment body, and its effects on forestry. I would like to hear your opinion on that this morning.

[93] **Ms Evans:** If you do not mind, I will answer this one in English.

[94] **Lord Elis-Thomas:** This is a bilingual country. [*Laughter.*] It is customer choice. There is no language commissioner in this committee.

[95] **Ms Evans:** We are very concerned about forestry in general receiving any assistance in that area at the moment. Glastir has taken over all assistance to woodland and forestry. We are getting feedback that the actual forestry grant that has been proposed under Glastir is not fit for purpose, and that it is being looked at in a very similar way to the way in which Glastir was looked at in the first place, when it was railroaded through without consultation, and that whatever the consultees say in response, that is not being taken on board. On top of that, there is a gap in that, if we value our forestry businesses in Wales, there is nothing in it to support them. That is perfectly acceptable within Glastir, because that is an agri-environment scheme, but assistance for forestry business does need to be considered if we want a thriving economy for forestry businesses in Wales, as well as a way of maintaining the other businesses that

they support, such as processors.

[96] **Mr Griffith:** Also, we moved very quickly from the woodland grant scheme system to the Better Woodlands Wales scheme and then, suddenly, the Glastir scheme, and a lot of people were left slightly floundering as we marched from one scheme to another. It has not been very well put together, and people need a lot of hand-holding in these things. Forestry itself is very much like agriculture—the scheme needs much better public relations.

10.00 a.m.

[97] **Lord Elis-Thomas:** We have had evidence on these matters, which we will be discussing later this morning with the Countryside Council for Wales. I was present for the serious discussion that took place at the Royal Welsh Show last year, which involved landowners and those in forest enterprises. Would you say that what we heard at that meeting has been confirmed in the implementation process?

[98] **Ms Evans:** May I just add to what has been said, to finish off? There is also the issue of a map being created to indicate where forestry and woodland can be planted. It is mainly improved and semi-improved ground because of the concerns associated with woodland being planted on something that could be habitat rich, even though it may not be. These are the areas that farmers are willing to plant up. Once again, you have a big blockage in the application process.

[99] **Ms Nowell-Phillips:** I was going to raise that but, also, as a non-forestry practitioner, I sit on the Glastir woodland management stakeholder group and it concerns me that the stakeholder group seems to be going through what the Glastir stakeholder group went through a few years ago, where the practitioners and the guys on the ground who understand how these things work are not being listened to. That does concern me as someone who just sits there—more or less as an observer—as things just seem to be repeating themselves as far as anything to do with Glastir is concerned.

[100] **Mr Jarrett:** Rwy'n cytuno â llawer sydd wedi cael ei ddweud. Mae cyfle yn y fan hon i integreiddio coedwigaeth ac amaethyddiaeth. Mae grantiau plannu yn dda, ond efallai fod angen edrych ar y pwyslais ar goed caled nad ydynt yn addas ar gyfer rhai lleoedd ac mae'r grantiau dipyn yn uwch at hynny. Mae pethau wedi newid mor sydyn ac mewn darnau ar ôl cyflwyno'r grantiau plannu i ddechrau, a newydd ddod i mewn mae'r grantiau adnewyddu coedydd. Mae'r bobl sy'n cynghori pobl ar hyn yn ei chael yn anodd. Mae dau beth ymarferol arall. Mae'r flwyddyn Glastir yn rhedeg gyda'r flwyddyn galendr. Nid yw'r cyfnod plannu coed yn rhedeg gyda hynny—mae'n rhedeg o fis Tachwedd i ddiwedd mis Chwefror ac mae hynny'n achosi problemau ymarferol. O ran coetiroedd ffermydd, nid yw rhai o dan 0.5 ha yn cael eu cyfrif. Yn sicr, mae angen edrych ar y ffigur hwnnw o 0.5 ha. Yn nhermau ffermydd, mae'n goedlan eithaf mawr.

Mr Jarrett: I agree with much of what has been said. There is an opportunity here to integrate forestry and agriculture. Planning grants are good, but perhaps we need to look at the emphasis on hardwood, which is not suitable in some places and, moreover, the grants are quite a lot higher. Things have changed so quickly and in a piecemeal manner after the initial introduction of the planting grants, and the woodland renewal grants have only just been introduced. The people who advise others on this are finding it difficult at present. There are two other practical issues. The Glastir year runs with the calendar year, but the tree planting cycle does not correspond to that—it runs from November to the end of February and that causes practical problems. On-farm woodlands of under 0.5 ha are not counted. We certainly need to look at that figure of 0.5 ha. In terms of farms, that is quite a large woodland.

[101] **Llyr Huws Gruffydd:** Rwyf am gael **Llyr Huws Gruffydd:** I want to get a feeling

teimlad am y berthynas sydd gennych chi â Llywodraeth Cymru mewn gwirionedd. A ydych yn teimlo bod y Llywodraeth yn gwranddo ar yr hyn sydd gennych i'w ddweud? Rydych wedi canmol elfennau o adolygiad Rees Roberts, er enghraifft, er eich bod yn cydnabod bod elfennau nad ydynt wedi cael eu gweithredu. Mae'r *stocktake* mae Alun Davies wedi ei gyhoeddi ar waith ac rydym wedi cael 'Hwyluso'r Drefn', sy'n adroddiad y byddai rhywun yn disgwyl iddo fynd i'r afael â rhai elfennau o'r fiwrocratiaeth yr ydych wedi sôn amdani fel rhan o Glastir. Felly, yn gyntaf, a ydych yn hyderus bod Llywodraeth Cymru yn clywed yr hyn yr ydych yn ei ddweud ac, yn ail, ei bod yn gwranddo?

for the relationship that you have with the Welsh Government. Do you feel that the Government is listening to what you have to say? You have praised elements of the Rees Roberts review, for example, although you recognise that some elements have not been implemented. The stocktake that Alun Davies has announced is in train and we have had 'Working Smarter', which is a report that one would expect to deal with some elements of the bureaucracy that you have spoken about as part of Glastir. Therefore, first, are you confident that the Welsh Government has heard what you are saying and, secondly, that it is listening?

[102] **Ms Nowell-Phillips:** The difficulty in answering that is that it remains to be seen. The Deputy Minister has stated that as part of his listening exercises, he intends to announce what he intends to do with Glastir in June. That will be when we will know whether he has listened. There have been a number of focus groups involving the farmers who have gone into the scheme this year and some of those who have not for whatever reason. Therefore, that work is being undertaken and we hope that, after June, we will be in a position where some of the continued concerns, particularly communication, will have been dealt with.

[103] One of the things about the Rees Roberts review, and Glastir itself, is that because we were starting from an element where we were always taking away or trying to feed in, Glastir changed very quickly. Things could change on a weekly or fortnightly basis. The information was always ahead of the farmers. As was said earlier, spreadsheets are a fantastic tool. However, a farmer would do it once and not get his points and would never go back. The spreadsheet was either not being updated fast enough, or you had lost the interest of the farmer by the time it had been updated. Due to the fact that there were so many changes, a lot of people said that they could not get into it and never went back. The important thing now is to communicate the changes following the Rees Roberts review—a lot of farmers still do not understand how many things have changed as a result of that. Communication is extremely important. Whatever comes out after June, it is the communication strategy that will be the extremely important aspect.

[104] **Ms Evans:** I agree with Rhian in that it is the outcomes that will prove how our relationship with the Welsh Government is developing. Sadly, the biggest outcome that everyone in the farming community is looking at is TB; that has completely overshadowed everything else. It is very sad that farmers do not seem to be listened to for any reason that they understand because of these changes. This all depends on outcomes and what is delivered in the next six months.

[105] **Mr Llewellyn:** This idea of a conversation with Government was something that was rather alien to most of us in reality. A conversation is very much a two-way situation as far as I am concerned. Certainly, we were making an input, but I sometimes wonder whether we were making an input to the right people. That is where my fear is; that the right people are not there doing the right job. It is not for me to overcome that problem, but the various departments of Government need to look very seriously at themselves and admit, to begin with, that they are not really achieving what they set out to achieve and ask the question why. A huge amount of it is down to personnel, and it is also down to their efficiency as well. We are not the most efficient of people, that is for sure, but in reality, when you look at the

timescale of all of this, you had Glastir coming out in March, a deadline for that in April, followed by a May deadline for the single farm payment. I was up to my eyes in lambs over that period as well. There does not seem to be too much joined-up thinking between the different departments as to what is actually going on.

[106] I had a conversation about this last night—and that was a two-way one. Applications were actually made in January—total applications, applications for part of the Agricultural Carbon Reduction and Efficiency Scheme, the Environment Agency and full planning permission—yet they still have not received approval, four months later. If this is the way that Government behaves, how do you expect us to behave?

[107] **Mr Roberts:** Rwy'n ategu'r hyn a ddywedodd Rhian—amser a ddengys. O brofiad, rwy'n teimlo nad yw'r Llywodraeth wedi gwrando'n dda iawn, a hoffwn ei gweld yn gwrando llawer mwy. Fodd bynnag, y pwynt pwysig yw bod Glastir yma i aros, ac mae'n rhaid i'r Llywodraeth a'r diwydiant wneud y gorau er mwyn mireinio a gwneud i'r cynllun weithio. Rwy'n derbyn hynny, ac rwy'n gobeithio gwnaiff y Llywodraeth wrando mwy. Fel y soniodd Dafydd yn gynharach—cywirwch fi os rwy'n anghywir—mae'r waliau cerrig yn yr argymhellion yn adolygiad Rees Roberts, ac felly byddwn yn cwestiyndu'n arw pam eu bod wedi cael eu gwrthod. Fel rwyf wedi ei ddweud eisoes, mae hwn yn rhan o economi cynaliadwy mwy eang na dim ond amaethyddiaeth ar gyfer dyfodol cefn gwlad. Mae hynny'n bwysig iawn.

Mr Roberts: I endorse Rhian's comments—time will tell. From our experience, I do not think that the Government has listened well, and I would like to see it listening more. However, the important point is that Glastir is here to stay, and the Government and the industry will have to make the best of it to improve it and make the scheme work. I accept that, and I hope that the Government will listen more. As Dafydd said earlier—and correct me if I am wrong—stone walls were included in the recommendations of the Rees Roberts review, and I would seriously question why they were rejected. As I said earlier, this is part of a wider sustainable economy than agriculture alone for the future of rural Wales. That is very important.

[108] **Mr Griffith:** We all want to see a successful scheme with many more people coming into it. I have been looking at the website recently and, for most farmers, trying to get information from it is quite a struggle. It is not a very easy thing to read at all. How successful do you want it to be? It will eventually reduce the pot. As Bernard has said, we are not convinced by the two-way conversation thing, and we will have to wait to see what happens over the next six months.

[109] **Ms Evans:** I would like to add one more point. There is some good practice out there, such as our discussions with the Rural Payments Agency in Wales on moving into an electronic era. To be fair, our communication with it seems to result in action by the next meeting. It is positive for us to see that. So, if we could see more of that, it would be very welcome.

[110] **Yr Arglwydd Elis-Thomas:** Hoffwn ofyn un cwestiwn arall. Mae'r dystiolaeth rydym wedi derbyn gan y tri mudiad sydd yma a chan eraill wedi pwysleisio effaith y newidiadau mewn trefniant ar gyfer cynlluniau cyfalaf. Carwn glywed mwy ar hynny gennyh, os yw hynny'n bosibl, oherwydd y ddadl, fel rwyf yn ei gweld hi, yw bod y newidiadau sydd wedi bod rhwng cynlluniau blaenorol a chynlluniau Glastir

Lord Elis-Thomas: I would like to ask one more question. The evidence that we have received from the three organisations here and from others has emphasised the impact of the new arrangements for capital schemes. I would like to hear more from you about that, if possible, because the argument, as I understand it, is that the changes that there have been between the previous schemes and Glastir have made it more difficult for people

wedi ei gwneud yn fwy anodd i bobl i ddod i mewn i'r cynllun, yn enwedig y ffaith nad yw taliadau cyfalaf yn cael eu gwneud yn yr un modd ag yr oeddent yn y cynlluniau blaenorol. Rydym yn deall y dadleuon, ond hoffwn glywed eich sylwadau ar hynny.

[111] **Mr Jarrett:** Diolch ichi am godi'r pwynt hwnnw; mae'n bwysig ofnadwy. Rwy'n siarad gydag aelodau bob dydd ac rwy'n gofyn iddynt pam roeddent wedi mynd i mewn i'r cynlluniau amaeth-amgylcheddol yn y gorffennol. Roeddent yn mynd i mewn am ddau reswm: i gael y taliad blynyddol ond hefyd i gael y cyfle i gael taliadau cyfalaf. Wrth gael taliadau cyfalaf, nid yn unig oeddent yn helpu ateb gofynion amgylcheddol y cynllun, roeddent yn helpu eu busnesau eu hunain ac, fel y mae Rhian wedi sôn yn barod, roeddent yn helpu'r gymuned ehangach wrth gyflogi pobl i wneud y gwaith hwnnw. Dyna beth rydym wedi ei gollu. Credaf y byddant hefyd yn dweud eu bod wedi colli'r elfen o gael cynllun yn ei chyfanrwydd. Efallai y bydd grantiau cyfalaf o ran yr elfen targed, ond dim ond efallai. Ychydig iawn fydd yn derbyn hynny. Rydym wedi colli hynny ac, yn sicr, bydd llai o ddiddordeb mewn cynlluniau amaeth-amgylcheddol oherwydd ein bod wedi colli'r cymysgedd da hwnnw o daliadau bob blwyddyn a thaliadau cyfalaf. Hoffwn ganmol Cyngor Cefn Gwlad Cymru; nid oes angen lladd arno'n ormodol. Pan roedd yn rhedeg y cynllun, roedd y taliad yn dod yn syth ar ôl ichi orffen y gwaith. O ran cynlluniau sy'n ymwneud â rhan o fferm, i ateb y cwestiwn am y ffordd i symud ymlaen, credaf mai dyna'r ffordd i symud ymlaen yn y dyfodol.

[112] **Ms Nowell-Phillips:** The big problem with the Glastir payment is that farmers have found it very difficult to recognise that the capital element is intertwined with the main payment. I still think that the Welsh Government would have been better off running a separate capital grants scheme. I do not know whether it is about a lack of communication, or that the way that farmers have always worked is that they are used to having an annual payment and a separate capital grant. Having both subsumed into one payment has not worked and it has been poorly communicated to farmers. That has been a big issue with regard to the way in which Glastir has been perceived.

10.15 a.m.

[113] **Mr Llewellyn:** I was involved in the very early days, and I did not appreciate that there was a capital payment. It seemed to me to be an absurd idea to change it all when so many changes were afoot in any case. Why not just use the same terminology? It would not

to come into the scheme, particularly the fact that the capital payments are not made in the same way as they were under previous schemes. We understand the arguments, but I would like to hear your views on that.

Mr Jarrett: Thank you for raising that point; it is extremely important. I speak with members every day and I ask them why they went into agri-environment schemes in the past. They went into them for two reasons: to receive the annual payment but also to have the opportunity to receive capital payments. By receiving capital payments, they were not only helping to achieve the environmental aims of the scheme, they were also helping their own businesses and, as Rhian has mentioned already, they were helping the wider community by employing people to undertake that work. That is what we have lost. I believe that they would also say that they have lost the element of having a complete scheme. Perhaps there will be capital grants in terms of the target element, but only perhaps. Very few would get that. We have lost that and, certainly, there will be less interest in agri-environment schemes because we have lost that good mix of annual payments and capital payments. I would like to praise the Countryside Council for Wales; there is no need to be too critical of it. When it ran the scheme, the payment was sent immediately after the work was finished. In terms of part-farm schemes, to respond to the question about how we can progress, I think that that is the way to progress in future.

have mattered, and, at the same time, farmers would have known where they stood. I never understood this idea of changing it all to an environmental payment without including capital. I never understood it. I was confused, as I say, and I was someone directly involved in it.

[114] **Ms Evans:** I support what Rhian said in particular about farmers not understanding this, because when you explain to them that points equals money, and when they look at their project and align, and understand that that is what they are being paid for that project, it is just that it will be made as an all-farm payment, they then appreciate that the payments work fine from their point of view in many cases. We have concerns that the current capital grants are not inflation-proof. Costs have been going up quite steeply in the last few years, and I am rather concerned that the conversation about profit foregone plus costs has been worked out based on the costs from two or three years ago. We had an uplift last year after the Rees Roberts review, but the issue with the five-year grant scheme is whether a farmer would want to enter a scheme where he knows that he will be out of pocket by the end of the five years.

[115] Another thing to recognise about capital schemes is that, with most of them, the money goes straight through from the farmer to someone else in the rural economy. You can look at that as being a good thing or a bad thing, but the wider elements of capital grants, such as the agricultural carbon reduction and efficiency scheme, will not be going to the farmers—it will be going straight through to the person who is providing that.

[116] **Mr Griffith:** I think that it just has not been explained very well. Farmers have really struggled to come to terms with the fact that the capital payment is within the overall scheme. It will work—it is not ideal and I do not understand why it was changed, but it is there—but it was definitely not explained.

[117] **Mr Roberts:** Rwyf yn gwybod nad yw hyn ymwneud yn uniongyrchol â'r cwestiwn y gwnaethoch ei ofyn, Gadeirydd, ond, yng nghyd-destun cyfalaf a phres, hoffwn wneud y pwynt os na fydd llawer o bobl yn gwneud cais i fod yn rhan o Glastir mae'n bwysig fod y pres sydd yn echel 2 yn cael ei sicrhau i'r gyllideb amaeth.

Mr Roberts: I know that this does not relate directly to the question that you asked, Chair, but, in the context of capital and money, I would like to make the point that if not many people apply to join Glastir it is important to secure the axis 2 funding for the agriculture budget.

[118] **Yr Arglwydd Elis-Thomas:** I ateb y pwynt hwnnw ar ei ben, gyfochrog â'r ymchwiliad hwn fel rhan o'n gwaith fel pwyllgor, rydym yn craffu nid yn unig ar y gyllideb flynyddol pan mae'n cael ei pharatoi, ond hefyd ar ganlyniad gwariant y gyllideb honno. Bydd gennym sesiwn yn o fuan gyda'r Gweinidogion sy'n atebol i ni a fydd yn mynd i'r afael â hynny. Yn amlwg, mae effeithlonrwydd cynlluniau a gwariant cyhoeddus, yn enwedig pan fo hynny yn cynnwys elfennau o wariant yr Undeb Ewropeaidd, yn rhan pwysig iawn o'n stiwardiaeth fel pwyllgor. Rydym wedi sicrhau bod y Dirprwy Weinidog yn dod ger ein bron yn y Sioe Fawr ym mis Gorffennaf i ateb cwestiynau yn gyhoeddus am gynllun Glastir. Rwyf yn sicr y bydd diddordeb ymhlith pawb ohonoch am hynny. Yn y cyfamser, byddwn yn ystyried y dystiolaeth a

Lord Elis-Thomas: To respond to that point directly, alongside this inquiry as part of our work as a committee, we are scrutinising not only the annual budget when it is prepared, but also the outcome of the budget spend. We will soon be holding a session with the Ministers accountable to us that will address that issue. Obviously, the efficiency of public schemes and expenditure, especially when it contains elements of European Union expenditure, is a very important aspect of our stewardship as a committee. We have secured the attendance of the Deputy Minister at the Royal Welsh in July to answer questions in public about the Glastir scheme. I am sure that you will all be interested in that. Meanwhile, we will consider the evidence that we received from you and other stakeholders from public bodies, such as the Countryside Council for Wales, which will

gawsom gennych chi a thystiolaeth gan randdeiliaid eraill o gyrff cyhoeddus, megis Cyngor Cefn Gwlad Cymru, sy'n dod atom yn y funud, ac hefyd o fudiadau amgylcheddol. Byddwn yn dilyn y cynllun hwn yn fanwl tra'i fod yn cael ei weithredu, oherwydd mae'n bwysig i ni fel pwyllgor gael ein gweld yn tynnhau rheolaeth ac atebolrwydd cyhoeddus am gynlluniau. Rwyf yn ddiolchgar iawn am yr atebion a gefais ar goedwigaeth, oherwydd mae hynny yn fy mhoeni, am yr union reswm a ddywedwyd gennych, fod y cynlluniau hyn wedi newid gymaint mor gyflym. Mae hynny'n cwbl groes i fwriadau tymor hir sy'n angenrheidiol i unrhyw fusnes sy'n ymwneud â choedwigaeth.

[119] **Mr Jarrett:** Ar ran yr aelodau, rydym yn falch iawn eich bod yn gwneud hynny, oherwydd mae'n rhywbeth sy'n cael ei godi'n gyson ganddynt hwy, yn enwedig gan eu bod yn awr wedi cael eu taliad Tir Mynydd olaf, felly mae swm mawr o bres yn mynd allan na fydd yn dod yn ôl i'r Cynulliad.

[120] Rydych wedi ateb pwynt a godwyd gennym ym mharagraff 27 yn ein papur, ac rydym yn hynod ddiolchgar am hynny. Fodd bynnag, maent yn sôn am N+2. Os nad ydych yn ei wario o fewn y cyfnod hwnnw, bydd yn mynd yn ôl at y Comisiwn. Buasai hynny yn sgandal o'r mwyaf. Buaswn yn cefnogi Glyn. Mae'n rhaid i'r cynllun Glastir, beth bynnag y bo, fod yn ddigon hyblyg i symud arian o un rhan ohono i ran arall. Os yw hynny'n golygu cynlluniau sy'n ymwneud â rhan o fferm neu gynlluniau cyfalaf, iawn, ond defnyddiwch ef. Os nad ydym yn ei ddefnyddio, dyna fuasai'r sgandal fwyaf. Nid yw'n lawer o arian yn y pen draw, ond rhaid inni ddefnyddio'r hyn sydd gennym. Felly, rydym yn falch eich bod yn gwneud hynny.

[121] **Yr Arglwydd Elis-Thomas:** Yr argraff a gawsom ar ein hymweliad â'r Senedd Ewrop a'r Comisiwn oedd yr union bwynt hwn, sef eu bod yn chwilio am hyblygrwydd gweithredol yn y cynllun ac mewn unrhyw gynllun sy'n gwyrddi. Dyna yw holl ddiben y peth.

[122] **Mr Jarrett:** Yr hyn rydym yn poeni ychydig yn ei gylch yw yr hyn sydd yn

shortly appear before us, and also from environmental organisations. We will follow that scheme closely as it is implemented, because it is important that the committee is seen to be tightening public control and accountability of schemes. I am very grateful for the answers that I had on forestry, because that does concern me, for the exact reason that you said, that these schemes have changed so much so quickly. That is entirely contrary to the long-term objectives that are necessary for any business involved with forestry.

Mr Jarrett: On behalf of the members, we are very glad that you are doing that, as it is something that they raise constantly, especially as they now have received their last Tir Mynydd payment, so there is a lot of money going out that will not come back to the Assembly.

You have answered a point that we raised in paragraph 27 of our paper, and we are extremely grateful for that. However, they mention N+2. If you do not spend it within that period, it will go back to the Commission. That would be an outright scandal. I would support Glyn. The Glastir scheme, however it turns out, has to be flexible enough to vire money from one part to another. If that means part-farm schemes or capital projects, that is fine, but you must use it. If we do not, that will be the greatest scandal. It is not a great deal of money at the end of the day, but we must make use of what we have. Therefore, we are pleased that you are doing that.

Lord Elis-Thomas: The impression that we gained on our visit to the European Parliament and Commission was this very point, namely that they were looking for operational flexibility within the scheme and in any other greening scheme. That is the whole purpose of this.

Mr Jarrett: What is a little concerning for us is what is happening in Europe with the value

digwydd yn Ewrop gyda gwerth yr ewro ac effaith bosibl hynny ar yr arian sydd ar gael, achos bydd hynny'n gwneud gwahaniaeth mawr. Mae'n siŵr y byddwch yn gofyn y cwestiwn hwnnw hefyd i'r Dirpwy Weinidog.

of the euro and the potential impact that that could have on the funds available, because that will make a major difference. I am sure that you will also ask that question of the Deputy Minister.

[123] **Yr Arglwydd Elis-Thomas:** Mae rhai ohonom hefyd yn meddwl bod gennym gyfaill yn Arlywydd Ffrainc erbyn hyn. Bydd amaethyddiaeth Cymru yn eithaf diogel gyda rhywun sydd wedi bod yn gwyllo defaid Limousine yn Tulle. Diolch yn fawr iawn i chi am eich presenoldeb.

Lord Elis-Thomas: Some of us also think that we now have a friend in the President of France. Welsh agriculture will be quite safe in the hands of someone who has been watching Limousine sheep in Tulle. Thank you very much for your presence.

[124] **Mr Llewellyn:** Chair, may I make a plug? We are launching a booklet today called 'Why Farming Matters to the Welsh Environment'. So, if you want to go to its launch in Pembrokeshire, I am sure that you would be welcome.

[125] **Lord Elis-Thomas:** You never miss an opportunity, do you? [*Laughter.*] Give our warmest regards to Carreg Cennen Castle and all the rest of it.

*Gohiriwyd y cyfarfod rhwng 10.22 a.m. a 10.37 a.m.
The meeting adjourned between 10.22 a.m. and 10.37 a.m.*

[126] **Yr Arglwydd Elis-Thomas:** Diolch am eich presenoldeb heddiw ac am eich tystiolaeth. Fel y gwyddoch, rydym yn ymchwilio i Glastir drwy'r dydd heddiw. Rydym wedi trafod gyda rhanddeiliaid amaethyddol a pherchnogion tir, ac rydym yn awr yn cael cyfle i drafod gyda chi, prif asiantaeth gadwraeth Cymru. Byddwn wedyn yn gweld Cyswllt Amgylchedd Cymru, sy'n cynrychioli rhanddeiliaid amgylcheddol. Byddwn hefyd yn cwrdd â Chymdeithas y Pridd yn nes ymlaen.

Lord Elis-Thomas: Thank you for your presence today and for your evidence. As you know, we are conducting an inquiry into Glastir all day today. We have discussed with agricultural stakeholders and landowners, and we now have an opportunity to discuss with you, Wales's main conservation agency. We will then see Wales Environment Link, which represents environmental stakeholders. We will also be meeting with the Soil Association later on.

[127] Beth yw eich asesiad chi fel corff o'r trafodaethau sydd wedi digwydd o ran Glastir hyd yma? A ydych yn rhannu'n siomedigaeth ni fel pwyllgor am y diffyg ymateb i'r cynllun a'r ffaith bod anawsterau o hyd o ran cyfathrebu'r cynllun i'r gymdeithas amaethyddol?

What is your assessment as an organisation of the discussions that have taken place in relation to Glastir to date? Do you share the committee's disappointment at the lack of response to the scheme and the fact that there are still difficulties in relation to communicating the scheme to the agricultural community?

[128] **Mr Joyce:** From the strategic perspective, the Countryside Council for Wales feels that Glastir and its success is really important for so much of our agenda, from the nature conservation agenda to the landscape agenda. It is also important for the Welsh Government. We are working for the Welsh Government, but so much of Glastir is aligned with what the Welsh Government wants and needs to do, particularly in relation to the ecosystem approach and implementing and sustaining the 'A Living Wales' agenda. There is a sense that the success of Glastir will be a key tool for implementing the ecosystem approach. So, it is important that we get it right. We therefore commit a lot of our resources to trying to get it

right.

[129] We have a particular role in Glastir in terms of designated sites and sites of special scientific interest. We have that particular role because of our statutory responsibilities of protecting those SSSIs, so we work very closely with Welsh Government and the Glastir team, ensuring that farmers who want to take on agreements under Glastir and then put some of the things that they want to do on SSSI land do not have a negative impact on nature conservation—that they do not want to plough a hay meadow and plant something on it. That is our responsibility in a very particular way. I have not answered your question, but that has set the scene a little and it has set out why we feel that Glastir is so important.

[130] **Lord Elis-Thomas:** You have answered the question; this is what we want to hear from you as a member of the council. I am trying to remember how long Brian has been a senior agricultural adviser to the organisation. I remember the great days when your organisation was responsible for making agri-environment payments, which I thought was a very good carrot-and-stick arrangement. The Welsh Government at the time did not think so and everything changed. However, I think that that perspective, of seeing an environmental organisation actually involved in promoting a green agenda within the agriculture sector, was very positive.

[131] **Mr Joyce:** On that point, there is a debate to be had about the new single body and the placing of Glastir within that or not, because it is so key to what the new single body will need to deliver. This is the major chunk of money delivering that, and to have it outwith the single body, in some ways, looks a bit odd. I think that our record with Tir Gofal and Tir Cymen was very good. We delivered Tir Gofal very efficiently by international standards. Certainly, looking across the border, we had far fewer project officers and administrators on Tir Gofal than there were looking at the countryside stewardship scheme in England. So, the environment bodies do have a very good track record on that. The other thing is that I think that it would be very good for the single body to be forced to interact with farmers on the ground, with people who have to deal with agriculture and with forestry and all these other things. That practical interaction with people who work and live in the countryside will be very important, or it could be, if it were included within the single body. It would be a benefit to the single body and the people there.

[132] **Lord Elis-Thomas:** As you know, we are looking after your welfare in this situation of change in relation to the single body. We have already reported to the Minister on that and we will continue not only to keep an eye out, but to take an active interest in the implementation and the policies that the Welsh Government is producing. It may be an issue that would be good for us to turn to as part of our work on the future of the single environment body, but also in relation to Glastir. To your knowledge, have there been any discussions between you and the other partner organisations of the single environment body around whether there might be a transfer of resources, or administration of resources, by the single body?

[133] **Mr Pawson:** I am aware that it has been mentioned, but I do not think that it has been discussed in great detail between the three existing bodies. I was going to thank you, Chair, for your kind remarks about my involvement in agri-environment schemes in the past. Your original question was about whether we share your disappointment about the levels of uptake of the scheme. In our evidence, we point out that new schemes, despite the fact that this scheme is based upon schemes that have been run before, always take time to bed in. It is quite interesting; in the early days, there were 1,380 applications for Tir Gofal in the first round, of which, because we had a ranking system, we were only able to accept 700. A total of 680 people were rejected from the scheme. In the next round, there were 870 applications. That was another all-Wales scheme. At the time—although it was in a different place—I remember sitting and answering questions about why the uptake of the scheme was so poor.

However, we heard earlier a lot of praise for the Tir Gofal scheme, after it had been up and running for a period. So, one of the key points in our evidence that I would like to stress is the fact that it may be that the initial uptake for contracts and applicants in the second round may be lower than everyone would hope for. However, as the NFU said in its evidence, we are where we are, and people who are in the contract, and those who are applying in this round, are crucial to what happens next.

10.45 a.m.

[134] **Mr Joyce:** In terms of where Glastir is going and the uptake, we have around 6,000 farmers currently holding agri-environment scheme contracts under Tir Gofal and Tir Cynnal. When they come out of their contracts in 2014, one would assume—and one would hope—that a very high percentage of them, as people who already understand the agri-environment concept and have probably got their heads a little around some of the paperwork and what it means, will want to take up Glastir.

[135] **Lord Elis-Thomas:** I do not want to abuse my position and prolong this reminiscence therapy about agri-environment schemes, but I was on the standing committee that passed the 1986 environmentally sensitive areas legislation. Now, of course, I have the joy of representing, in Llŷn, one of the first areas involved in all this. We have a history here as politicians, and we are all of us keen to support that activity. It seems to me that we all agree, following our visit last week to the European Parliament and the Commission, that it is fairly clear that what we are looking for is flexibility with regard to greening where existing schemes have been successful. Without a shadow of a doubt, all the people we spoke to talked about the success of Wales in this area, and it is something that we are determined not to lose or, indeed, as you have pointed out, to miss benefiting from.

[136] **Antoinette Sandbach:** I want to pick up on what you just said, Ieuan, about the experience of people who are already in agri-environment schemes. You perhaps heard the evidence of Sue Evans that, currently in Glastir, there seems to be no payment option for an area that is currently habitat, as it were. If people are converting productive agricultural land into habitat, and they are not then able to carry on being paid for looking after that habitat, they will see a reduction in the capital value of the land, because they will be taking improved land out of production to create habitat, and that is then excluded from the scheme. Do you think that there is a role for looking at that area to see how Glastir can improve on it, bearing in mind, it seems to me, that you will otherwise lose the goodwill of people who have bought into an environmental scheme and are delivering habitat, are working to the ecosystems approach, and are creating an environmental benefit, only to see that, at the end of that scheme, that is it?

[137] **Mr Pawson:** I am not sure that I entirely agree with Sue. I know the argument, and certainly in the early days of the scheme's design, it was true that if they brought forward habitats and features from previous agri-environment schemes, farmers could not get points under Glastir for an awful lot of them, but there have been changes. An example would be streamside corridors. If you had already fenced both sides of the stream, and you had a capital payment under Tir Gofal and an annual management payment, then you would not have been able to bring that in under the early design of Glastir—you had to find another streamside to put a corridor along. Now, there are points for existing streamside corridors. If you have habitats that are in Tir Gofal agreements, many of them are matched by the habitats in Glastir contracts. I think that the issue may be, from a farmer's perspective, that he was managing this under Tir Gofal and receiving a certain payment per hectare and had capital works, but that moving it into Glastir means that he will get points that will contribute towards a payment of £34 a hectare and provide him with the opportunity to be invited, hopefully, to join the targeted element. You are not prevented from putting things that are in your existing agri-environment agreement into Glastir, but you may well perceive the rewards to be not as

great. I would agree with the substance of your question, namely that it is worth looking at what exactly is going to happen to the 3,000-odd Tir Gofal agreement holders when they apply for Glastir.

[138] One of our concerns is that, effectively, you have a cliff: we supported the idea of extending existing agri-environment contracts to the end of 2013, which solves the problem of them coming to an end and people applying for Glastir under the current RDP but creates a new problem of what happens at the end of 2013. One of the pieces of evidence we submitted to the inquiry into the uplands was that, within the uplands, there are 45,000 ha of SSSI land in CCW section 15 agreements and there are 51,000 ha in Tir Gofal agreements. If you put those together, those 90,000 ha make a significant contribution to the environment strategy for Wales targets to bring land into the sort of management framework that can improve its favourable condition to meet the European habitat regulation requirements. If you have a situation at the end of 2013 where you are unable to bring existing land into the new scheme, Wales's performance against such environmental targets is going to dip and it will be some time before the curve gets back to the point we are at now.

[139] **Antoinette Sandbach:** To pick up on your evidence, you said that farmers are hoping that they will get into the targeted element of the scheme. Again, this morning, we heard that it would help farmers in making that decision to be aware of whether they qualify for that scheme at the point they are signing in to Glastir. At the moment, they are being asked to enter a scheme without knowing whether they would reach the targeted element. Do you support that sort of information being available to them?

[140] **Mr Pawson:** I can see the argument in favour of that but I can also see the argument against. One of the issues is that the scheme was originally designed to bring in a larger number of farmers than is coming in now. If you were to signal to farmers coming into the all-Wales element that they would get a targeted element agreement, some people might decide that they did not want to sign the all-Wales element at all. If you had a lot of all-Wales element applications, you would also potentially be storing up a substantial waiting list. That was one of the issues that Tir Gofal encountered. Speaking as the organisation that was running the scheme at that time, we were asked to explain how we would deal with the waiting lists.

[141] **Mr Joyce:** From CCW's perspective, the targeted element will deliver good stuff. A great deal of the ecosystem services stuff will be delivered through the targeted element and it is really important that we get as much benefit from the targeted element as possible. From a farmer's perspective, at the moment, there is a complete lack of transparency about the targeted element. From a farmer's perspective, it would help a lot to have concurrency in signing your agreements for the targeted element and the all-Wales element. However, there is a wider issue because, from speaking to farmers in the market, I know that they do not know what the targeted element will mean for them, they do not know what the payment rates will mean, they do not know whether their land is eligible land, and, because there are not many or any current agreement holders, there is no-one they can talk to in the market who currently has a targeted element agreement who knows how it is going. We are in this slightly odd position because the TE is going to be so important for farmers and for us and yet there is a lack of clarity. We need to work through the system a bit more before we know what is happening.

[142] **Antoinette Sandbach:** With regard to the all-Wales element, in your evidence as well as in a great deal of the other evidence we have heard, the sort of detailed level of record-keeping required for the basic entry-level has been described as very onerous. Have you been working with the Welsh Government to see how that could be simplified or streamlined so that the requirements match the level of the scheme, so that, as you progress to greater environmental delivery, so your record-keeping progresses?

[143] **Mr Pawson:** That is an interesting question, because when we were involved in running agri-environment schemes, the kinds of questions that you are asking are very much the kinds of issues that we would have been addressing. At present, we are advising primarily on the environmental benefits that could be delivered from developing certain prescriptions, and we have advised on the mapping for the targeted element. In order to achieve the environmental benefits, we are plainly keen for as many farmers as possible to get into the all-Wales element and then be selected for the targeted element. However, we have not been involved in the direct development of what the record-keeping requirements actually are.

[144] I noticed that some of the other evidence discussed the need for record-keeping on a whole-farm basis, and I must admit that we would support the idea of record-keeping on land that is subject to particular all-Wales element options. However, I must admit that I thought that that was actually the way things were supposed to work at present. As Ieuan pointed out, one of the things that probably needs to be clarified is that a lot more information could be provided. For instance, some examples could be produced of what a targeted element agreement would look like. It might just be an example farmer, where everything has been made up, or it might be a real farmer who is happy for his or her land or contract to be used as an example.

[145] **Antoinette Sandbach:** A case study.

[146] **Mr Pawson:** If you could actually see an example where you have 100 ha or 45 ha, or whatever, coming into the targeted element, you could see how your targeted element contract is constructed. I think that it would really start to answer some of the questions, and similarly with record-keeping. I would have thought that one of the ways of looking at this was to examine whether the extent to which all the information is collected is genuinely necessary. I understand, as I have been involved in trying to get prescriptions and payment rates past European Commission officials. It can be a very time-consuming process because, basically, you have six months from the time you make your submission. However, every time the Commission asks you a question, the clock stops; therefore, the six months can become a lot longer than six months because you have to get your answers together and they have to be accepted.

[147] Within the confines of record-keeping, there is plainly a requirement to meet the obligations set down by the Commission, but whether all of the information currently collected needs to be collected is a big subject to look at. It feeds back into the idea of making sure that the first 1,700 farmers to sign a contract actually have a positive experience. If many of them, as other witnesses have suggested, did not actually realise that they had to keep these kinds of records, it is clear that quite a lot of work needs to be done, as we suggested, in the form of care and maintenance visits, so that you do not get someone turning up on day one saying, 'You got it wrong. Here is a penalty', but turning up on day one to see whether you fully understood what was in your contract. At the end of the day, the contracts contain many different elements. If we thought about other walks of life, we would see that the chances of everyone understanding absolutely every single element of a commitment from day one would not be that great.

[148] **Antoinette Sandbach:** In essence, if you have a low-level scheme, do you not want that to be as easy as possible to administer for the people who have to go into it in order to encourage them to sign up? I do not know whether you heard Bernard Llewellyn's evidence, but if there is a risk of a farmer getting it wrong, thereby jeopardising his or her single farm payment and leading to a penalty on that, for what is a relatively low payment under Glastir, the response will be, 'I am not going to bother; I am not going to put that at risk'.

[149] **Mr Pawson:** That would be a question to clarify. At the end of the day, if you sign up

to an agri-environment scheme, you are obliged to maintain your land in conformance with the cross-compliance requirements because you are claiming the single payment, presumably, and so you then go into a higher level scheme and those obligations in terms of cross-compliance would still apply. However, I believe that there will be a big difference between someone who flagrantly breached their agri-environment contract and possibly breached their single payment requirements.

11.00 a.m.

[150] I have seen cases of farms where people have genuinely misunderstood their agreements. In fact, they have done some of the things that could now be regarded as a breach of cross-compliance. However, there is a big difference between that and not keeping your records fully up to date. One would need to look at what the penalties would actually be. I would not have anticipated that failing to maintain all your records under Glastir would immediately lead to a substantial penalty under the single payment scheme. That is a question worth asking, and it is one to which farmers would want to have answers.

[151] **Mr Joyce:** Clearly, they need to be fit for purpose, and any administration needs to have the objective of making sure that the environmental benefits of the scheme are achieved. If it is over and above that, then what is the point? You are just putting obstacles in farmers' way.

[152] **Rebecca Evans:** Brian, you mentioned the need to highlight the positive experiences of people who have entered the scheme already. Do you have any that you could share with us today?

[153] **Mr Pawson:** The contracts have only just been signed, have they not?

[154] **Rebecca Evans:** In terms of the application process, are there people who have not had any trouble with it?

[155] **Mr Pawson:** Again, I think that one would need to work through organisations such as the farming unions to identify that, but as the unions themselves pointed out, they tend to get people ringing up to say that something is not working terribly well, rather than saying that something is working well. What you would find from doing initial care and maintenance visits, as I would call them, is that you could gauge the people who were finding the scheme to be one that fitted in with their experience—they understood the elements they had signed up to and were finding that the scheme fitted in with their farming business. One way of spreading those messages, as we suggested, would be to make use of people—and, as a project officer in an agri-environment scheme, you get to know very quickly the people for whom it is working well—as examples by running farm walks on their farms, and potentially using the website. If you look at other websites around the world, there are examples of farmers who have had a good experience with an agri-environment scheme, and they are used as a way of trying to sell the benefits of the scheme.

[156] **Rebecca Evans:** You also mention in your evidence a proposal for a mentoring scheme. I was wondering if you could expand on how you would like that to work.

[157] **Mr Pawson:** I suppose that follows on from the idea that, having identified farmers for whom things are working well, we have tended to use farmers like that in the past by running farm walks. We have the example of Agrisgôp, where farming groups are being set up with particular farmers trained as facilitators. It seems to me that there is quite a lot of overlap between some of these ideas. Perhaps someone has been trained as a facilitator and is now in an agri-environment scheme themselves—or, if no-one like that is available, you could train some of the farmers who have had positive experiences as mentors, and just use

them as a way of helping other farmers to understand what is going on. It would require quite a lot of thought.

[158] One of the things talked about earlier was mixed messages, and if you have scheme administrators and different levels of expertise in different offices—and there are already concerns that there are variations in terms of what people are saying—then you would have to be fairly careful how you used your mentors because, although they might be seen as an intermediary, if your intermediary starts saying things that do not match what the people in the offices are saying, then you create an even bigger problem for yourself. I would be pointing initially at the idea of using farmers who have had positive experiences to run farm walks. They could do that on the basis of it being part of their job, rather than someone ringing up and saying, ‘We know that this is going quite well for you. Would you mind running a walk?’. You would make it a more formal arrangement and take things from there, step by step.

[159] **Llyr Huws Gruffydd:** Rydym wedi clywed nifer o sylwadau heddiw am yr argraff bod y broses o gyflwyno a gweithredu'r rhaglen wedi cael ei brysio, ac rwyf yn siŵr ein bod ni, fel Aelodau, wedi cael negeseuon cryf am y mater hwn eisoes. Yn gynharach y bore yma, soniwyd am y ffaith y dylai elfen o beilota fod wedi digwydd. Beth yw eich barn am ba mor sydyn y cafodd y rhaglen ei chyflwyno? Yn ogystal, a ydych yn tybio y dylai elfennau ohono fod wedi cael eu peilota cyn cyflwyno'r rhaglen yn ei chyfanrwydd?

Llyr Huws Gruffydd: We have heard a number of comments today about the impression that the process of rolling out and implementing the programme was rushed, and I am sure that we, as Members, have also received strong representations about that. Earlier this morning, it was mentioned that there should have been an element of piloting. What is your view of how quickly the programme was rolled out? Do you feel that elements should have been piloted before the whole programme was rolled out?

[160] **Mr Pawson:** To go back to the original axis 2 review, there was quite a long time between that and the introduction of Glastir, so I am not sure that I would agree that the scheme was introduced suddenly. Actually, there was quite a long gap between the last agri-environment contracts being signed under Tir Gofal and the first agri-environment contracts being signed under Glastir. That is why, in our evidence to the Rees Roberts review, we said that one of our priorities was to try to increase the number of applicants to the all-Wales element, subject to their delivering an adequate level of environmental benefit. It is all very well arguing over whether the scheme delivers enough benefit, but if no-one is in the scheme and very few contracts are being signed, you plainly have a problem anyway.

[161] On piloting the scheme, you could argue that our previous agri-environment schemes—Tir Cymen, the environmentally sensitive area scheme, Tir Gofal and Tir Cynnal—were, in a sense, pilot schemes. With the benefit of hindsight, we can see that there is quite a lot of new thinking in this scheme, in that farmers were asked to put together applications without assistance from project officers, and the applications were much more involved than Tir Cynnal contracts. A pilot scheme would take quite a long time to run, and Tir Cymen, in a sense, was a pilot scheme. You have to run things for a while to get the results and, by that time, several years have gone by. However, with the benefit of hindsight, I would say that the processes could have been tested more rigorously. As the NFU said in its evidence, ‘we are where we are’.

[162] I would come back to the point that we now have 1,700 contracts, and 700 applications for the all-Wales element. The figure is lower than everyone had hoped to see, but there are quite a lot of reasons why farmers might be holding back, not least the greening of CAP, as well as issues relating to application forms, record keeping and the fact that agricultural returns have gone up.

[163] **Mr Joyce:** It must not be forgotten that the 6,000 obvious candidates for the Glastir all-Wales element were taken out of the mix at the beginning. The ones who had already been through the agri-environment process have not yet applied and they were not part of the initial process. They are the obvious ones. The ones who were not in Tir Gofal or Tir Cynnal had no interest in agri-environment schemes at the beginning. So, to expect this to have a flying start when 6,000 with interest had been taken out at the beginning is probably expecting a bit too much.

[164] **Llyr Huws Gruffydd:** Iawn, ond fel y dywedasoch, dyma'r sefyllfa yr ydym ynddi. Hefyd, mae nifer o newidiadau wedi'u cyflwyno yn sgîl adolygiad Rees Roberts, a grybwyllwyd gennych, a chredaf fod hynny wedi ychwanegu at ddriswch nifer o bobl gan fod pyst y gôl wedi'u symud—a dyna'r term yr wyf wedi'i ddefnyddio. Mae'r *stocktake* yn digwydd, ac mae'r rhaglen Hwyluso'r Drefn yn broses sy'n mynd rhagddi. Felly, rhagwelaf y bydd newidiadau'n parhau i ddigwydd. O ran cyfathrebu a brand y cynllun Glastir, deallaf fod rhaid cael pethau'n iawn, a bod angen tynhau a gwella'r broses. Serch hynny, gyda CAP yn y cefndir, a ydych yn beio pobl nad ydynt yn un o'r 6,000 am beidio â dangos diddordeb?

Llyr Huws Gruffydd: Okay, but you said yourself that we are where we are. Also, we have seen a number of changes being introduced following the Rees Roberts review, which you mentioned, and I think that that has added to the confusion of many people because the goalposts have been moved—and that is the phrase that I have used. The stocktake is happening, and the Working Smarter programme is under way. Therefore, I predict that changes will continue to happen. I understand that we have to get things right with the communication and the Glastir brand, and that we need to tighten and improve the process, but with CAP as a backdrop, do you blame people who were not in that 6,000 for not showing an interest?

[165] **Mr Joyce:** It is a difficult one, but, clearly, if the scheme is not working, it is an iterative process and you try to improve it as you go along. It may appear to be a bit of a muddle, I guess—indeed, it does appear to be a bit of a muddle from the outside—but that is where we are. What can you do? You need to improve it as things go along. It is not perfect, and nor will it ever be, but I hope that it will get better over time, and that is all that I can say.

[166] We need it to get better over time and we need uptake to improve, but I guess that all the signs are there that uptake will improve. You mentioned the greening of CAP, and there has been a European Commission statement recently on the possibility of greening by definition and the idea that you would get automatic entry to, or compliance with, the greening components of the single farm payment. One would assume that that would lead to a lot of farmers looking at the AWE and saying, 'Well, perhaps it is for us after all'.

[167] **Llyr Huws Gruffydd:** Yn olaf, gyda'r holl newidiadau hyn, mae llawer o sylwadau wedi cael eu gwneud am gyfathrebu. Mae'r adnoddau sy'n cael eu neilltuo i sicrhau bod y neges yn cael ei chyfleu yn effeithiol yn gwbl allweddol. O'ch profiad chi, a ydych yn teimlo bod digon o adnoddau yn dod o gyfeiriad Llywodraeth Cymru i weithredu a chyfathrebu hyn yn effeithiol?

Llyr Huws Gruffydd: Finally, with all these changes, a number of comments have been made about communication. The resources that are being allocated to ensure that the message is conveyed effectively are essential. From your experience, do you feel that enough resources are coming from the Welsh Government to implement and communicate this effectively?

[168] **Mr Pawson:** I think that the resources issue is an interesting one because one of the ideas behind designing an all-Wales element scheme was that it would be relatively cheap to administer, so more resources could be spent on land management. We may need to review

that, because if we now have fewer people applying, we need to devote more resources to making sure that the scheme is better understood and, in time, that will lead to the level of uptake that we want to see. Perhaps we are trying to do everything at once over a very short time period.

[169] One thing that I am concerned about, despite the Rees Roberts review and the current stocktake, is whether all the potential applicants fully understand the differences between the scheme as it was and the scheme as it is now. Going back to the example of Tir Gofal, the application system was changed from one in which 700 applicants would be selected and the rest—number 701 onwards—would all be rejected and would have to apply again, to a waiting list and, provided that farmers get over a threshold score—a bit like the AWE—they will be put on the waiting list. They may have to wait two years, but at least they do not have to apply a second time. The number of second-round applications dropped enormously compared with the first round, because most people did not understand that the system had changed. That is one of the problems: one can make changes, but a lot of the time we do not know whether people are failing to apply because they do not like the scheme as it is or because they think that the scheme is still the same as it used to be. I think that it is about communicating those messages. Getting that across will be more costly than was originally anticipated.

[170] **Lord Elis-Thomas:** This is why I was interested in your idea of a mentoring scheme. Clearly, as a board member, a farmer and a scientist, you are in a fine position to promote this and you seem to be doing it rather well. Is that fair?

[171] **Mr Joyce:** I am not sure that I would like to advertise the quality of my farming, to be honest. [*Laughter.*]

[172] **Lord Elis-Thomas:** We will come on a site visit.

[173] **Mr Joyce:** Next Tuesday will be fine. [*Laughter.*]

[174] **Lord Elis-Thomas:** We heard this morning, in the evidence from the farming community, that what people are saying in the markets and what people are saying to each other is how the message gets through. It is the network. All of us who live in the countryside know about the strength of that network.

[175] **Mark Drakeford:** A gaf i ymddiheuro i ddechrau? Rwyf mwy neu lai ar y ffin o ran yr hyn rwy'n ei ddeall am y cynllun. Fodd bynnag, rwyf am fynd yn ôl at gwestiwn Antoinette i ddechrau. **Mark Drakeford:** May I apologise to start? I am very much at the edge of my understanding of the scheme. However, I want to go back to Antoinette's question to begin with.

11.15 a.m.

[176] In Antoinette's question, she was pointing to some of the evidence that we had heard earlier, that farmers are concerned about the potential effect on capital values of carrying out works on land that is already productive and improved. I think that we have also been told something slightly wider than that, which is that they have no choice in the current scheme but to site works that could potentially be of environmental benefit on that sort of land. We were given more than one example, one of which was of a pond and, in this scheme, ponds mean points, if I have got that right. I might want to site a pond on some sort of marshy land but am not able to because the marshy land might already be of environmental benefit, or it might not. So, I am obliged to try to place a pond on land that, as a farmer, I would not choose to use. I understand that there is a tension between the environmental benefits and other considerations for farmers. Is that a genuine tension and does the scheme satisfactorily

resolve it in your view, insofar as it can?

[177] **Mr Pawson:** I take your point on ponds, because it is a problem, and the chances are that most ponds will be in wetter areas, and those areas could be wet improved land, or simply rushy land, where it is possible to put a pond. However, if it is land that you would define as habitat and marshy grassland, creating a pond on it would risk running into all sorts of problems with environmental impact assessment regulations and cross-compliance.

[178] I know that ponds mean points, but I am not convinced that they mean a huge number of points. There are a number of things that you could do on improved land that might acquire points. For instance, there are all the hedgerow options—although hedgerows are not actually on the improved land but on the boundaries between improved land. Those options are things that you could do without impinging on habitat. In the statistics on the options chosen—and I do not know the actual lengths or areas chosen—I was surprised to see that some of the hedgerow options were not as popular as one would expect. It is certainly my experience as a project officer in an agri-environment scheme that hedgerow options, particularly if they involve hedgerow restoration with fencing, which improves boundary management and the management of stock across the farm, are popular. I think that the issue here is that you do not get your payments upfront as a capital works payment, but you get them, effectively, over a five-year period with the capital elements spread out. So, farmers might well argue that in order to get their income stream of £34 per hectare, they have to invest considerably more than that in year 1 in the fences, and it would not be until years 2 or 3 that they start to get a benefit.

[179] In making suggestions for improving the scheme, I am wary of increasing people's confusion about what the scheme actually is. If we are talking about post 2014, perhaps we could look at loading the capital works element slightly differently. Assuming that a farmer was going to get £34 a hectare, perhaps there could be a payment of £50 per hectare in year 1 and slightly less in subsequent years. So, the amount of money over the five years would be the same and, even though you would end up paying more in the first year, by the time you got to year 2 with all the existing entrants, they would be on the lower payment level. So, if you play it right, you should be able to balance the budget. I understand that this is a serious concern for many farmers.

[180] **Mr Joyce:** I would not want it thought that CCW is necessarily in favour of dumping or putting a lot of habitat on improved land. CCW needs to, and does, take a wider perspective of what we need from our land. In many, and possibly most, situations, the improved land that we have needs to remain as improved land because we need food. We need to take a wide perspective of what the countryside produces for us, and food is clearly a major component. So, we do not necessarily want to see a lot of improved land being taken out of production or having lower levels of production for habitat purposes. On the habitat side, just because it has less than 20% or 30% perennial rye grass does not mean that we would want it to stay or would not accept, or be happy with, some changes in some areas. We would be happy with some changes in some areas. When you think about the woodland creation scheme, there are areas currently defined as habitat land on which we would be delighted to see some nice oak woodland growing. So, we are not all about keeping the status quo, I do not think; we need to take a wider perspective.

[181] However, the problem comes with the AWE scheme, I guess. Given that it is without a project officer, on the ground, it is very difficult to know whether the piece of land on which you are proposing to put a pond or some trees is of great value for some species or is a highly important habitat. It is the nature of the AWE, without a project officer, that is difficult to get around. It throws up the conundrum that farmers can only make changes on improved land. It is a slightly perverse consequence, particularly in upland areas where improved land is in short supply, which is where we have been very encouraged to find the habitat options. You

can get 90% of your points through habitat options, and we would be very pleased to see 100% of points coming through the habitat options in the uplands, because it is still proving to be an obstacle. I know of certain more extensive farms in the uplands and it would help them to get into the AWE scheme if they could get 100% of their points by maintaining habitats. CCW would be very comfortable with that.

[182] **Lord Elis-Thomas:** That is very helpful.

[183] **Vaughan Gething:** I am interested in moving on to some of the points made in the Rees Roberts review, which has largely been welcomed by a number of stakeholders in terms of trying to improve the scheme. I am especially interested in what are referred to as options 15B and 15D, on the permissible levels of organic and inorganic nitrogen-based fertiliser and how they can be used. I am interested in understanding the difference between you and the farmers unions in terms of how desirable this is. I confess that I do not completely understand how that would affect or not affect the potential biodiversity of areas where it could be used. In your evidence you talk about whether these options should be permitted on improved grasslands only and not in other areas. I am interested in bottoming out, and understanding, how that would affect them.

[184] **Mr Joyce:** The fundamental point here is that so much of nature depends on low nitrogen levels. Most wild stuff has adapted to having low nitrogen levels in its environment. If nitrogen levels are increased, the natural stuff gets out-competed by the improved stuff—perennial rye grasses and so on. It is nearly always the case that, if you put nitrogen in, it will be to the detriment of nature. That is the fundamental starting point. Then, of course, you add in a very high nitrogen loading from the atmosphere anyway, because of pollution—we are looking at 30 kg, 40 kg or 50kg or even more nitrogen loading per annum coming onto all of our habitats and land anyway just from the pollution that is in the atmosphere from fossil fuels and so on. Nitrogen is an important issue. That is how I would start it off, before handing over to Brian.

[185] **Mr Pawson:** I think that 15B and 15D are adaptations of option 15, which is about converting improved land to semi-improved land. This would be good from the point of view of land that is adjacent to water, where you would be reducing the nitrogen loading in that environment. It could also be about managing areas that are already quite species rich under some habitat classifications. A lot of neutral grasses and hay meadows would fall into option 15. Looking at the statistics, option 15 appears to be a very popular option, probably because it does not involve capital works. The new options, introduced by the Rees Roberts review, make the uptake of those options more popular from a farmer's perspective, in that you can still add fertiliser to the land and keep a reasonable level of productivity. It is a matter of striking a balance between trying to get the maximum number of entrants into AWE and ensuring that it delivers against the original objectives in terms of biodiversity, water and carbon. The problem with 15B is that you can apply up to 50 kg per hectare of nitrogen in inorganic form and another 50 kg in organic form—100 kg of nitrogen per hectare is quite a lot; in fact, the average GB level is around 89 kg per hectare. So, you have a scheme that is telling farmers not to put on any more than 100 kg, but the average person is putting on considerably less than that anyway.

[186] **Mr Joyce:** On habitat land, you will get significant botanical change by applying 100 kg of nitrogen per hectare. Unquestionably, on habitat land there will be a change in the botanical diversity of the sward by applying those levels of nitrogen.

[187] **Mr Pawson:** That is why we quoted some evidence from work in the Somerset levels that showed that, on hay meadows, an appropriate level of nitrogen is closer to 30 kg, which is about one bag of compound fertiliser per acre, which is obviously considerably less than the 50 kg or 100 kg that is allowed under the AWE. This is not a problem for us on sites of

special scientific interest, because as Ieuan explained at the beginning, we need to consent on this issue. We have taken legal advice on that and we cannot transfer our legal obligations to determine a farmer's request to carry out an activity on an SSSI. We cannot transfer that responsibility to the Welsh Government, but we can ensure that in issuing a consent that we consent to something that is acceptable for the site. So, just because the scheme says, 'Do not put on more than 50 kg', if a farmer says, 'Well, I'm not going to put on more than 50 kg, actually what I'm going to put on is 30 kg', we just consent to them putting on 30 kg; they have met our requirements and they have met the scheme's requirements.

[188] The difficulty comes on land that is not a SSSI. There is a lot of semi-improved, still quite species-rich grassland out there. In many cases if farmers have been managing semi-improved land, presumably they have not been putting that much fertiliser on it, otherwise it would not still be semi-improved; it would have been converted to something else. However, times change: people hand their farms on to their successors, and that is when the management of that land can change. Having a scheme that says that it is alright to put on quite a lot of nitrogen on this sort of land gives us a great deal of concern. We could change the requirements quite easily to say that this particular requirement on nitrogen only applies to land that is already improved and that there is another rule for anything that is defined as habitat land, because the whole farm code of the all-Wales element specifically says not to put fertilisers on habitat land.

[189] So, effectively, the scheme has had to override its own rules in order to bring in this change. By and large, we can see the advantage of it, perhaps, on improved land, because you are bringing more people into the scheme. If people are not in the scheme, you cannot target the targeted element, because you do not have anyone to offer it to: it is what we refer to as removing some of the perverse outcomes. We talked about this with regard to the common agricultural policy: you are trying to do a good thing, but if you do not get it quite right you can create a risk of a problem.

[190] **Vaughan Gething:** The obvious follow-up question is: what involvement has there been with other stakeholders on this issue, in terms of influencing their views as well as the Welsh Government's view on whether this is still appropriate?

[191] **Mr Pawson:** We have continued to say the kinds of things that we are saying here, and we have provided written evidence to the Welsh Government on this issue. There are a lot of things that we supported in the Rees Roberts review, as Ieuan mentioned, such as the move away from the way that the upland options were delivered. Not everyone agrees with the idea of a reduced entry level. I think that a reduced entry level, coupled with ACRES, could bring about benefits in terms of managing land for meeting all the framework directive targets: there are many things that we agree with, but 15B and 15D are the two things in the review that we were not happy with.

[192] **Mr Joyce:** When I saw it come through, my jaw dropped. I thought, 'How could you possibly think that that is appropriate?'. It was unbelievable, to be honest.

[193] **Vaughan Gething:** There is a difference between listening and agreeing. I am sure that at various points we will find different messages. May I ask another question, Chair?

[194] **Lord Elis-Thomas:** This will be the final question, because we are grateful to you for your discursive presentation to us: it has been very helpful.

[195] **Vaughan Gething:** My question is on the high-sugar grasses options, because there is some disagreement in some of the evidence that has been provided to us about whether this would be a good or a bad thing, to put it bluntly. We have received evidence from Wales Environment Link and it takes a different view to you and the Soil Association. Again, this is

about trying to understand what the issue is and why there is variance regarding whether this is desirable.

11.30 a.m.

[196] **Mr Joyce:** The science, as you probably know, is that high-sugar grasses will be good for many things, including reducing methane production and improving productivity from ruminant animals. It is unquestionably a good thing that more farmers take up high-sugar grasses across Wales. On the other hand, and I look to Brian—[*Laughter.*]

[197] **Mr Pawson:** As I think I said elsewhere in our evidence, we have not been involved in establishing the payment rates. However, our understanding is that, yes, high-sugar grasses are a good thing, but the calculations of the payment rates suggest that adopting them is a beneficial thing for a farmer to do, so how do you pay a farmer to do something that is going to deliver an economic benefit anyway? As the FUW pointed out, the payment rates in the schemes are based upon the income forgone and the cost of doing it. If you are going to get a benefit, there is no income forgone and any costs you may incur would effectively be outweighed by the benefits. It may be that, if you look at the actual calculations and how they are done, you could find scope to make a payment. It could be that introducing this option to the scheme would lead to a lot more people wishing to join it. On the other hand, it might be that introducing this option to the scheme would not lead to a lot of new applicants. There may be other ways of explaining to farmers that this would be a good thing to do, through mechanisms such as Farming Connect and various farming focus groups.

[198] Years ago, I remember someone who worked for the Agricultural Development and Advisory Service telling me just how hard it was back in the 1950s to explain to farmers that silaging was a good thing, as many farmers thought it would incur a cost. High-sugar grasses might fall into the same category, but it is more a case of explaining the issues than offering a payment.

[199] **Lord Elis-Thomas:** You have brought us neatly back to the issue of communication, which has been the main theme of this morning. We are very grateful to you. We will break for a few minutes.

*Gohiriwyd y cyfarfod rhwng 11.32 a.m. a 11.35 a.m.
The meeting adjourned between 11.32 a.m. and 11.35 a.m.*

[200] **Yr Arglwydd Elis-Thomas:** Croeso yn ôl i'r cyfarfod. Mae'n dda gennym eich gweld yma unwaith eto, Arfon, ar ran Cyswllt Amgylchedd Cymru. Rydym wedi clywed gan gynrychiolwyr perchnogion tir ac amaethwyr a chan Gyngor Cefn Gwlad yn y sesiwn ddiwethaf ynglŷn â'u gofidion neu ddadansoddiad o ran nifer y ceisiadau am gynllun Glastir. Beth yw barn mudiadau amgylcheddol yng Nghymru ynghylch yr ymateb i geisiadau Glastir?

Lord Elis-Thomas: Welcome back to the meeting. It is good to see you here again, Arfon, on behalf of the Wales Environment Link. We have heard from those representing landowners and farmers and from the Countryside Council for Wales in the previous session on their concerns or analysis with regard to the number of applications to Glastir. What is the view of the environmental organisations in Wales regarding the response to Glastir applications?

[201] **Mr Williams:** Diolch am y gwahoddiad i ddod yma heddiw i roi tystiolaeth ar ran RSPB Cymru ac aelodaeth ehangach Cyswllt Amgylchedd Cymru.

Mr Williams: Thank you for the invitation to come to give evidence today on behalf of RSPB Cymru and the wider Wales Environment Link membership.

[202] I would like to make a quick statement before answering that question. RSPB and many of the WEL members have been actively engaged in the development of Glastir from the early days, and we have remained strong supporters of the scheme throughout. We have, hopefully, at times been instrumental in improving and moving the scheme forward and have provided constructive criticism when needed. We welcome this inquiry and we hope that its findings will help to move the scheme forward and enable it to be fit for purpose, popular and for it to help achieve and deliver Wales's environmental objectives.

[203] In answer to your question on what RSPB and WEL think about the response to the application process, we are very disappointed. We are keen to look for ways, with the Welsh Government and partners, to improve the uptake of the scheme, while, at the same time, ensuring that it stays true to its original principles: that it is capable of responding to Wales's environmental challenges—climate change, biodiversity, water—and that it also enables us to protect the historic environment and our cultural landscape.

[204] **Yr Arglwydd Elis-Thomas:** Cyn imi alw ar Vaughan, hoffwn wneud y pwynt mai un o'r themâu a ddaeth yn amlwg y bore yma yw'r feirniadaeth o'r cyfathrebu ynghylch y cynllun. A oes gennych ryw gyngor ynghylch sut y gellid gwella hynny? Un o'r awgrymiadau a wnaethpwyd oedd i'r newidiadau ar ôl gwahanol adolygiadau'r cynllun ychwanegu at y dryswch, gan nad oedd pobl yn siŵr beth oedd yn y cynllun ac felly nid oeddent yn glir ynghylch beth fyddent yn ymgeisio ar ei gyfer.

Lord Elis-Thomas: Before I call Vaughan, I would like to make the point that one of the themes that because apparent this morning is criticism of communication about the scheme. Do you have any advice on how that could be improved? One of the suggestions made was that the changes following various reviews of the scheme have added to the confusion, because people were not sure what was in the scheme and therefore not quite sure what they would be applying for.

[205] **Mr Williams:** There is a general belief within the farming community that the scheme application process is complex. I do not think that the scheme has been particularly well communicated or that the interaction between the various elements of the scheme has been explained particularly well. To be honest, the objective and purpose of the scheme has not been communicated well to the farming community. The one area where there has been success may point to the future direction, and that is the common land element, which has been well received. There has been good uptake there, but the underlying difference between the common land element and the all-Wales element was the fact that it was project-officer driven, so specialist advice was given to grazing associations right from the beginning. While the scheme itself, in the way that it is portrayed, may appear complex, the advantage of having officers, individuals or organisations who are capable of understanding that and then explaining it to the farming community is well worth while. That was certainly the case with Tir Gofal, its predecessor. Project officers made a big difference there. There is certainly a role for more project officer involvement in the future.

[206] I agree; I think that the ongoing uncertainty surrounding the scheme, with the ongoing reviews, stock takes and inquiries, adds to the concern that farmers have. They just do not know where the scheme is going. On top of that I think that you can layer CAP reform and all sorts of other uncertainties. If I were a farmer I would be wondering about my participation in the scheme, because I think that there are an awful lot of uncertainties around it despite reassurances from Government and Ministers.

[207] **Lord Elis-Thomas:** Obviously, we see it as part of our role to ensure the effectiveness of public policy, both in terms of expenditure and objectives. Hopefully, this committee does not contribute to further mystification of the Welsh public, or the farming community in particular. At which point, I shall call on Vaughan Gething.

[208] **Vaughan Gething:** Thank you very much. [*Laughter.*] Communication has been a big theme, and it seems to us this morning that it has been a larger theme than the detail of the scheme. There have been comments and disagreement on the detail, but it is clear that, in any scheme, you will not get agreement. Rather than revisiting many of those elements about communication, I want to turn to some of the specifics of your own evidence that I am interested in, one of which was the point that I just raised with the CCW on high-sugar grasses and some of the options in the Rees Roberts review that you were pleased had not come in. I am interested in why you see high-sugar grasses as a problem that you would not want to support. Afterwards, if I may, I would like to talk about birds, in particular. You mention the Welsh farmland bird index remaining below its baseline level, and I know that you are concerned about species survival for the future. Also, while I am not looking to complicate or seek a huge amendment to Glastir, because that has been a clear message—not wanting to change it incrementally through the whole scheme—I am interested in why you are concerned that Glastir will not deliver on renewing both the habitat and the bird species that you are concerned about.

[209] **Mr Williams:** There were quite a lot of issues raised there. If I can cast my mind back, the first issue raised was the concern about high-sugar grasses and such operations. The evidence and the kind of advice that I was given indicated that those operations have environmental benefits, but also have agriculturally economic benefits. So these were not necessarily going to result in a negative financial impact on farming communities. In fact, you could argue that farmers perhaps should be doing this in any case because it makes fairly good business sense. The basic principle is: why should public money reward farmers for operations that, while they have environmental benefit, make good business sense in the first place?

[210] **Vaughan Gething:** If I may interject briefly, in your evidence you discuss high nature value farming and you state that there is a problem with the payment logic, which I understand. You want those practices to continue rather than for those practices to change; therefore, income foregone is not necessarily a good thing for high nature value farming, which you still want to promote. If that sort of payment logic does not work for them, but you still say, ‘Actually, we want to find a way to reward what is an environmental gain or benefit’—the maintenance of that—how does that stack up with the position you take on high-sugar grasses? You are saying, ‘Actually, because of the economic benefit, regardless of the environmental benefit potentially, we cannot support farmers moving to that’. Is there not a logical disconnect between the two positions?

[211] **Mr Williams:** There is. The first thing that we probably need to do is make sure that the income foregone rates are current in order to give farmers an even playing field to make a decision on in the first place. The problem that we have at present is that, with buoyant agricultural markets, the income foregone calculations are already out of date. The payment rates of Glastir are based on payments that are three or four years old. Therefore, we have a problem whereby the more marginal parts of Wales that have an ability to provide an awful lot of environmental goods and services are not making what they could, compared to what they could produce from farming or from Glastir. The farming market is up at present; therefore I think that the payment rates need to be made equitable in the first instance. In terms of the business about getting added value to those payment rates, that is, increasing the payment rates beyond the agreed baseline, that is a difficult circle to square. I take your point, but if we want to seriously address our environmental objectives in Wales, we need to find ways of encouraging those farmers to maintain their farming methods, not just in the uplands, but throughout the more marginal areas of Wales, in order to provide them with an income and to provide society with the green goods for which there are currently markets.

11.45 a.m.

[212] **Vaughan Gething:** What about the birds?

[213] **Mr Williams:** Birds? Oh, yes. There was a question on birds. [*Laughter.*] It is a subject that is very close to my heart. We have a number of significant problems with the make-up of the scheme and, in particular, the interaction between the two elements of the scheme. The all-Wales element is the broad and shallow element, so it is a way to get a large number of farmers signed up to Glastir and, hopefully, to move them from historic ESAs and from Tir Gofal into Glastir and to get them to do something objective, although broad and shallow and so at a low level. The targeted element is the aspect of the scheme that will enable Wales to focus resources on those species that are of high conservation concern and need our and farmers' help. However, there are a number of blockages currently between the make-up of the two elements. The delivery of the targeted element is wholly reliant on the content and the delivery of the all-Wales element. At the moment, there is a disconnect in some of the crucial areas, and we are talking to Welsh Government officials about this. We find them helpful and they are certainly not a barrier to looking for solutions. The issues are such things as regulation, income forgone and having to base payments on stock numbers, so the more stock that you take off an area and the less production that you get from an area, the higher the payment. However, in the more marginal parts of Wales, you are not asking farmers to take stock off; you may want them to graze harder and to manage more. So, tying it to income forgone does not work. We are in a position where we have lots of farmers who want to help, but we are hamstrung by regulation and rules.

[214] **Lord Elis-Thomas:** We will go to you, Antoinette, because I know that you have pursued this previously.

[215] **Antoinette Sandbach:** Yes, I have. I wanted to ask about the upland areas, because evidence came from CCW that it would like a 100% option for farmers in the upland areas to qualify, because the very nature of the landscape is very difficult for those farmers. I think that there is a minimum requirement in the all-Wales element that you choose three options, and farmers in the uplands have been, effectively, prevented from doing that, because those three options are not available to them on the ground. What is your view on that and would that be something that you would support?

[216] **Mr Williams:** Absolutely. We would probably extend that principle to all farms where there is a predominant habitat, as long as it is a valid habitat. There have to be some mechanisms to ensure that we do not end up going down the route that England is currently taking, where there are lots of farms with semi-improved or only just not improved lands coming in. However, it does not make sense to have barriers preventing a farm in the uplands or lowlands that was predominantly heather or moorland from coming into the scheme, so we would certainly support that.

[217] **Antoinette Sandbach:** Perhaps I can move on to another area, namely the woodland aspect. I do not know what your views are, but we have heard some evidence that the Glastir woodland scheme is not delivering effectively, and some of the written evidence that we have had states that there is not a joined-up thinking approach between the Glastir woodland element and the Glastir agricultural element. From the point of view of birdlife in the woodlands, would you like to comment on that?

[218] **Mr Williams:** There are two woodland elements. With regard to the managing woodland element, in respect of existing woodlands, we are concerned that a lack of objectivity is being applied to the management of existing woodlands, which is surprising, considering that that is one of the stronger elements that comes out of Glastir—the decision-making process underpinning where we would like to spend our resources. How we achieve that is a different matter—I will park that for a minute. The decision-making process is strong and robust, but it has not been applied to woodlands. Woodlands are seen as a habitat, and no

distinction is made between them. Some woodlands are more important for species than others. However, the information exists, and we are currently in discussion with the Welsh Government to see if that objectivity can apply to woodlands as well as it has to other aspects of the scheme.

[219] **Antoinette Sandbach:** What is your role in the management of woodlands in relation to carbon capture and storage, and the commercial side of woodlands? Is that adequately being addressed in Glastir?

[220] **Mr Williams:** Carbon storage and capture and flood management are very much the stronger objectives when it comes to the planting of new woodlands. I realise that that has not been as popular as the Welsh Government would have hoped. There is an element of wait and see with these things, because all agri-environment schemes tend to start fairly slowly and gather momentum as more and more farms adopt various prescriptions and neighbours look over and see that perhaps it is not such a bad thing. It is one to keep an eye on for the next year or so. Our concerns lie with the potential erosion of the mechanisms behind woodland planting that are designed to ensure that they are not planted in the wrong areas. We are hugely supportive of establishing woodlands, if they can be used to benefit species and habitats, and to extend and connect existing woodlands—it is a no-brainer, really. What we are worried about is that woodlands will end up incorrectly or inappropriately sited, and they can then damage habitats. There is growing evidence to show that that might be happening. It is anecdotal at the moment, but we need to look at where we are going with woodland planting and ensure that the mechanisms behind it, while enabling farmers to establish woodlands and benefit from the grants, also enable the Welsh Government to achieve its targets, so that we get the environmental benefits that all that can bring. At the same time, it should not have the detrimental effect of a negative environmental impact elsewhere. We need to continue to review the process. Again, the tools are there—it is just a matter of finding them at the moment.

[221] **Llyr Huws Gruffydd:** Rwyf eisiau holi cwpl o gwestiynau ynglŷn â lefel y fiwrocratiaeth sydd ynghlwm â'r broses o ymgeisio i fod yn rhan o Glastir, a hefyd o safbwynt adrodd ar weithgarwch, cadw dyddiaduron ac yn y blaen—rhywbeth a godwyd gan rai o'r bobl roeddem yn siarad â hwy yn gynharach heddiw. Beth yw'ch barn, yn y lle cyntaf, am lefel y fiwrocratiaeth? A ydych yn teimlo ei bod yn angenrheidiol ynteu a oes lle i leihau'r baich?

Llyr Huws Gruffydd: I want to ask a couple of questions regarding the level of bureaucracy attached to the process of applying to be part of Glastir, and also in terms of reporting on activity, keeping diaries and so on—something that was raised earlier by some of the witnesses whom we spoke to. What is your opinion, in the first place, about the level of bureaucracy? Do you feel that it is necessary, or is there room to reduce the burden?

[222] **Mr Williams:** The level of bureaucracy is something that is of concern. It is obviously acting as a deterrent to farmers from applying for the scheme. The decision not to use skilled project officers or staff to inform farmers has necessitated this need for a training programme, advice giving and so on, which has added to the confusion rather than help to clarify the situation. A lot of what you describe could be resolved through the use of better-trained staff. This would extend to front-of-office staff as well, because to provide remote advice on agri-environment is not easy. Those staff would certainly benefit from a thorough and detailed understanding of agri-environment that extends to being able to provide advice on habitat, the appropriate siting of prescriptions and so on. They would also benefit from an understanding of how, potentially, the different elements of the scheme interact, and being able to provide farmers with much more one-to-one advice would help the situation as well. There is a need for a means to move farmers from not being in a scheme, or perhaps participating in Tir Gofal, and fast-tracking them into the targeted element if they have the types of farms that are able to be managed for biodiversity and birds, but it would also protect

our investment within Tir Gofal, provided that those farms were able to deliver against the main objectives. Some streamlining of the process would help, but more sensible, face-to-face advice and well-trained staff giving that advice would help hugely.

[223] **Llyr Huws Gruffydd:** Cyfeiriodd Cyngor Cefn Gwlad Cymru at y ffaith bod tua 6,000 o bobl yn gadael rhaglenni amaeth-amgylcheddol eraill sy'n dod i ben. A ydych yn hyderus y bydd lefel uchel ohonynt yn dymuno ymuno â Glastir, yn enwedig, efallai, o ystyried rhai o'r sylwadau a wnaethoch ynglŷn â'i gwneud yn haws iddynt ddod i mewn i'r elfennau perthnasol?

Llyr Huws Gruffydd: The Countryside Council for Wales referred to the fact that some 6,000 people are coming out of other agri-environment schemes that are coming to an end. Are you confident that a high level of those will want to enter Glastir, especially, perhaps, given some of your comments about making it easier for them to enter the relevant elements?

[224] **Mr Williams:** Those farmers, in the first instance, are used to agri-environment schemes, so it is not a foreign concept for many of them. I think that they will be keen to move into Glastir. With hindsight, not having those farmers available for Glastir in the first year may have been a mistake, because they would have been your advocates. They are used to managing their farms and their land for the types of things that we are talking about. As a group of individuals and farmers, I am confident—touch wood—that they will make that progression into Glastir. The caveat is that, while we want to support farmers who have made positive contributions in the past, their ongoing contributions have to be measured against what the scheme wants to achieve. There may have to be a revaluation of what some of these farms are delivering so that the public money spent within those farms goes against achieving the objectives that the scheme has set itself.

[225] **Llyr Huws Gruffydd:** Hoffwn gyfeirio at yr hyn rydych wedi'i ddweud ynglŷn â chymorth un i un a'r wybodaeth a ddarperir ac ati. Un elfen sydd wedi bod yn eithaf amlwg yn yr adborth rwyf wedi'i gael gan etholwyr yw'r anghysondeb rhwng swyddogion, gyda rhai elfennau yn cael eu caniatáu mewn rhai lleoedd ond nid mewn lleoedd eraill. Roedd hynny'n sicr yn adlewyrchu'r ymateb a gafodd yr undebau. Beth yw'ch barn chi o ran faint o broblem yw hon?

Llyr Huws Gruffydd: I would like to refer to what you have said about one-to-one support and the information provided and so on. One element that has been quite clear in the feedback that I have received from constituents is the inconsistency between officials, with some elements permitted in some areas but not in other areas. That was certainly reflected in the response received by the unions. What is your view on the scale of that problem?

[226] **Mr Williams:** The general kind of disparity between different parts of Wales regarding what is acceptable and what is not acceptable—

[227] **Llyr Huws Gruffydd:** Is there different and inconsistent advice?

[228] **Mr Williams:** That comes down to the quality of the training in some places, which has been well intended but not necessarily delivered particularly well. It was never going to succeed, given the backdrop against which the training was being presented. There was such confusion about Glastir. It was fairly obvious that it was not necessarily ramped-up training that farmers required; it was just a basic understanding of what the scheme was about and what the scheme's objectives were. This needs to be thought about carefully in the future if that approach is to be taken again. When it comes down to the more technical aspects of the scheme, specialists or well-trained advisers are needed, whether they are consultants or whatever. You should not throw the door open to everyone to provide advice; you need to be confident that the advisers are up to the job.

[229] **Llyr Huws Gruffydd:** A ydych yn derbyn, felly, bod y nodwedd honno wedi ychwanegu at y dryswch? **Llyr Huws Gruffydd:** Do you accept, therefore, that that feature has added to the confusion?

[230] **Mr Williams:** Yes, I would agree. The standard of training and advice given throughout Wales has varied. We were in a position, fortunately, that we had the resources to go out to a number of farms in north Wales to provide training, either face to face or over the phone, and speak to the landowners. It was fairly obvious that, despite going through a number of training events and surgeries and talking to various officials and consultants, their understanding had not improved hugely from before the process started. What made the difference to them—they are more than happy to state this publicly—was having someone spending time with them, one to one, explaining to them what that telephone directory of notes and guidance actually meant in simple terms. When you boil Glastir down along with all the stuff that comes to a farmer, there are probably only half a dozen prescriptions, habitats or points that are particularly relevant to each farm. Most farmers probably do not even get round to opening the application pack, let alone taking it out. It is about that means of access. Once farmers access the scheme, they will probably realise how accessible and sensible it can be, but it is about the means of communicating that to landowners.

12.00 p.m.

[231] **Antoinette Sandbach:** To pick up on the point about opening the application pack, the record-keeping for fields that do not contain habitat has been raised as a problem with us. If the pack coming through the door is a barrier, because of its size and perceived complexity, what steps do you think can be taken in terms of the subsequent requirements to keep records to make the scheme more attractive?

[232] **Mr Williams:** This is what the review should focus on, namely the amount of relevant information within the pack. If you are asked to manage a habitat in a particular way, it is important that that is recorded. I do not understand the need to record wider stock, because a lot of that information will historically be captured in the integrated administration and control system. A root-and-branch review is needed to look at all the information to see how much is needed and whether it is important, so that it can be brought down to the bare essentials. It is a broad and shallow scheme, after all—it is not meant to be so complex that it puts farmers off; it is still meant to deliver. However, if you cannot get to the stage where you are delivering because farmers say ‘This is just not for me’, it becomes self-defeating.

[233] **Yr Arglwydd Elis-Thomas:** Yn ystod y drafodaeth gyda Chyngor Cefn Gwlad Cymru yn gynharach, gofynnwyd a ddylai'r corff amgylcheddol sengl chwarae rhan amlycach yn y dyfodol wrth weinyddu cynllun fel hwn. A fydddech yn croesawu hynny? A yw hynny'n rhywbeth sydd wedi cael ei ystyried gan y mudiadau amgylcheddol? **Lord Elis-Thomas:** During the earlier discussion with the Countryside Council for Wales, it was asked whether the single environmental body should play a more prominent role in future in the administration of a scheme such as this. Would you welcome that? Is that something that has been considered by the environmental bodies?

[234] **Mr Williams:** That is a good question. RSPB's requirements are that the scheme, whoever delivers it, is delivered to a high standard, that it fulfils its objectives and that it is successful. We are told that the single body is being set up to deliver ‘A Living Wales’. Glastir is held up as the exemplar—I would bite my tongue a little at that—and the means of delivering ecosystem sustainable land management throughout Wales. It would make sense for the body charged with delivering ‘A Living Wales’ to be responsible for the main delivery means. I do not think that it would be a bad idea to put some distance between Government objectives and targets and the delivery agency. That would be something that Europe would

look at, and it would introduce a degree of accountability and transparency to the process.

[235] **Antoinette Sandbach:** What timeline would you envisage, bearing in mind that there will be a substantial organisational change, involving three different bodies that will need to merge and effectively grasp their current obligations for environmental management?

[236] **Mr Williams:** That is a good question. I have not got to the point of thinking about when this should happen. It is complex enough as it is; you do not want to introduce something into a body that is still evolving and bedding down. If that body is going to take over responsibility for the delivery of this, the mechanisms and the foundations can be put in place. At an opportune time, the scheme's delivery can then be introduced to the body's remit.

[237] **Vaughan Gething:** That is a very interesting suggestion. I can understand the logic behind saying that this is about delivering wider environmental benefits and gains and habitat management, so the single environmental body should be in charge of it. However, the point is whether it would improve transparency and accountability. At the moment, bluntly, the buck for Glastir stops with the Deputy Minister and the Welsh Government. If that is transferred to an agency, that creates distance from Government, but does that really help with transparency and accountability? If Members ask questions, the easy get-out for the Deputy Minister would surely be to say, 'I set the objectives and it is up to the single environment body to meet them, so if you are not happy, call it in'. Do you see what I am saying?

[238] **Mr Williams:** How realistic it would be that there would be that *bwlch*, or gap, between the agency and Government depends on the future structure and autonomy of that agency, but I take your point that it will be very close to Government. The Countryside Council for Wales delivered Tir Gofal in the past, and the same argument could have been used there, but I think that it does introduce that degree of independence. It sits within an organisation that has the skillset, probably in partnership, to ensure that the scheme contributes and is able to deliver and work towards achieving those environmental objectives. However, I accept that point fully.

[239] **Vaughan Gething:** Do you have a fully formed view yet—and you may not—as to whether it would make most sense to transfer out to the single environment body, or whether the single environment body should be more clearly charged with commenting on what Glastir is achieving and how improvement can be measured? This goes back to the question that I asked you at the outset about birdlife and the farmland index. What role is there not just for groups like yours but for the single environmental body to say that we are not making enough progress on reinvigorating habitats and species that are at risk?

[240] **Mr Williams:** That is a fundamental question about the role of the single environment body and just how distant from Welsh Government it will be. Will it be able to act as that independent body and carry out the role of a delivery agency, or will it have a monitoring role? Monitoring is an important aspect of this as well, as the deployment of the scheme has to be monitored and its success has to be continually assessed and reviewed so that we can respond to that. We do not know what the single body will eventually look like, or how prepared Welsh Government will be to listen to the single body on this issue. Will the single body be able to say, 'Come on, you need to pull your socks up here and sort the scheme out', or will it just be an extension of Government and will be there to be listened to, but possibly not acted on? These are all fundamental questions. The Royal Society for the Protection of Birds is currently responding to the consultations on 'A Living Wales' and the single body, and is making the point very strongly that the single body has to operate at arm's length from Government to fulfil these requirements.

[241] **Vaughan Gething:** I do not want to stray too much into the single environmental body, but I want to come back to your point about the monitoring of outcomes. I do not know whether you had an opportunity to hear the evidence from the two farming unions and the Country Land and Business Association this morning, but one of the points that they made in typically robust fashion—you certainly know where they stand—was about how concerned we and the Welsh Government should be about what happens in the interim period. Should the Government simply be saying, ‘At this point, we want you to deliver this suite of environmental benefits and gains, and we’re not really worried about what happens in the middle’? A very clear and robust view was expressed by the NFU in particular that that is what is done in Ireland, where the Government basically says, ‘Get to this point and you’ll get the payment, and we’re not really worried about what happens in between’. I do not have a fully formed view on that, but I am interested in your view on that sort of interim monitoring.

[242] **Mr Williams:** When you say ‘interim’, I do not fully understand. Is it what are we doing in the short term to achieve—

[243] **Vaughan Gething:** Yes. My understanding was that it did not particularly want to be required to fill forms in and confirm what they were doing in the interim over a period of time. They just wanted to say ‘After two years, we’ve fulfilled our objectives, so we want the payment that comes with that, and we don’t want you to ask us to fill forms in or to tell you what we’re doing between times’.

[244] **Mr Williams:** I would be cautious about using Ireland as an example because, as far as I am aware, it is the only member state to have infringed the habitat regulations, so it is probably not a good example. It is not necessarily a case of ‘Do not bother us’. Harking back to the time when I was a Tir Gofal officer, farmers and the unions were positive about the service and maintenance visits. So, if we step away from farms and say that we will be back in two years’ time, we could go back and find ourselves asking why things have not been done, and then penalties will be imposed because there will be breaches, and no-one wants to be in that sort of position. It is much better to commit some resources to going back out to farmers within the first 12 months or so to see how they are doing. It is a hand-holding exercise, to make sure that they have understood what they have signed up to and to provide them with a bit of help and support and ensure that they are moving in the right direction. That is the way to build a good relationship with the farming community, and you are more likely to achieve results than if you say, ‘Right, we have signed you up, so we will leave you alone now and we will come back to you in two years’ time’. My experience is that farmers do not want that. When we had the resources within Tir Gofal to go out to see farmers every 12 months, they welcomed that and, as the scheme got bigger and resources became scarcer, farmers were asking us why we were not going out, because they were missing that service.

[245] **Vaughan Gething:** That is interesting, thank you.

[246] **David Rees:** I want to ask a quick question. You have obviously seen the recommendations of the Rees Roberts review panel and you have identified some that you think are not very supportive, or that reduce the environmental aspect. We have heard elsewhere details regarding the level of kilograms of nitrate per hectare. However, we also heard from the farmers this morning that some had not been included, such as dry-stone walling in the uplands. Do you think that the consideration of the Rees review panel’s outcomes has been effective, or have some things been missed out?

[247] **Mr Williams:** I was on the Rees review panel and I found it to be a bit of a demoralising process, because the whole thrust of the process seemed to be to reduce the scheme’s ability to deliver against its environmental objectives. A number of the recommendations that came through will result in that. Certainly, the low input option will be very popular with farmers, but it will not deliver a huge amount of environmental benefit for

the country. I think that it represents a significant waste of public money. The inherent danger there is that it is applied not only to improved areas of land, but to habitat. What is permitted under that option regarding the application of nitrogen is above the national average anyway, yet it is still rewarding farmers for doing it. So, I do not really understand the logic behind applying that prescription.

[248] The point on stone walls keeps cropping up. It does not have much of an ability to deliver against the environmental objectives of the scheme. You could argue that it is important for the landscape aspect. The big issue with stone walls is that it is an incredibly expensive process. You can spend an awful lot of public money on building a few metres of stone wall. If you were to take members of the public out and tell them that their money had bought either several hectares of land that can store carbon and alleviate flooding, or three metres of stone wall, I think I know where the value would sit.

[249] **Lord Elis-Thomas:** What about having it for the stonechat, though?

[250] **Mr Williams:** The stonechat is not an endangered species.

[251] **Lord Elis-Thomas:** Good answer.

[252] Diolch yn fawr unwaith eto, Arfon, am fod mor barod i ddod yma i roi tystiolaeth inni ac am ein goleuo ni. Bydd yr adroddiad y byddwn yn ei baratoi fel rhan o'r ymchwiliad hwn yn ceisio dilyn yr argymhellion yr ydym wedi'u clywed. Byddwn yn holi'r Dirprwy Weinidog yn fanwl ar Glastir yn y Sioe Fawr a byddwn wedi paratoi'r adroddiad dipyn cyn hynny. Rydym yn ddiolchgar bob amser i'r Gymdeithas Frenhinol er Gwarchod Adar. Credaf fy mod wedi dweud y tro diwethaf yr oeddet ti yma fy mod yn aelod—ac nid yn unig yn aelod, ond rwyf wedi bod yn gwyllo gweilch y pysgod yn deor ar y Glaslyn yr wythnos hon. Dyna'r peth pwysig.

Thank you once again, Arfon, for being so willing to come here to give evidence to us and for enlightening us. The report that we will prepare as part of this inquiry will seek to follow the recommendations that we have heard. We will be questioning the Deputy Minister in detail about Glastir at the Royal Welsh Show and we will have prepared the report a good while before that. We are grateful, as ever, to the RSPB. I think that I said the last time you were here that I am a member—and not only a member, but I have been watching the ospreys hatching on Glaslyn this very week. That is the important thing.

12.15 p.m.

[253] **Mr Williams:** Thank you very much. If I may, I would like to give you a quick quote from a farmer. It is from the *Western Mail* last week. I do not normally do this, but if you indulge me for a minute, it is only a couple of lines.

[254] 'One frosty morning on the hill feeding the Welsh singles I heard the cry of the curlew and looked up to see three of them heading for Plynlimon. It was a magical moment among all the turmoil of lambing.'

[255] In essence, that sums up what this is all about: just supporting farmers to farm their land while making sure that that management leads to the protection and enhancement of vulnerable species and all the other environmental goods and services that come along with that.

[256] **Lord Elis-Thomas:** Diolch yn fawr.

*Gohiriwyd y cyfarfod rhwng 12.15 p.m. ac 1.31 p.m.
The meeting adjourned between 12.15 p.m. and 1.31 p.m.*

[257] **Yr Arglwydd Elis-Thomas:** Croeso i Emma o Gymdeithas y Pridd a Keri o Grŵp Organig Cymru i gymryd rhan yn y drafodaeth hon ar y sector organig. Rydym yn ystyried bod Cymdeithas y Pridd a Grŵp Organig Cymru yn cynrychioli sector pwysig iawn, yn enwedig yng nghyd-destun gwyrddio polisi amaeth a sicrhau amcanion amgylcheddol sy'n ymwneud â Glastir.

Lord Elis-Thomas: I welcome Emma from the Soil Association and Keri from the Welsh Organic Group to take part in this discussion on the organic sector. We consider the Soil Association and the Welsh Organic Group to represent a very important sector, particularly in the context of the greening of agricultural policy and achieving environmental objectives related to Glastir.

[258] Dechreuaf drwy ofyn cwestiwn rwyf wedi ei ofyn i dystion eraill y bore yma, sef: beth yw eich esboniad am yr anhawster i gael amaethwyr i ymuno â chynllun Glastir? Yn ei thystiolaeth, mae Cymdeithas y Pridd yn dweud bod cymhlethdod ac anhawster o ran cael mynediad at y cynllun, a bod y dogfennau esboniadol yn hir ac yn anodd eu deall. A oes rhywbeth arbennig y byddech am ei argymhell i wella cyfranogiad yn y cynllun?

I will begin by asking a question that I have asked other witnesses this morning, that is: what is your explanation for the difficulty in getting farmers to join the Glastir scheme? In its evidence, the Soil Association says that accessing the scheme is complex and difficult and that the explanatory documents are long and difficult to understand. Is there anything in particular that you would recommend to improve participation in the scheme?

[259] **Mr Davies:** Glastir is designed as an all-embracing scheme, as you well know. Farmers will always shy away from the bureaucratic end of a scheme. In the initial days, when you had large gatherings on farms to try to implement that as a showcase, that did not work. There were always 80 or 90 people present, and you could not see anything individually as you all trawled around the fields; that did not seem to achieve anything that it was designed to. However, if you had something like the Agrisgôp programme, where you have a cluster, and if you worked with an individual programme that somebody knew well, you could showcase best-case scenarios. Farmers, like the Tir Gofal farmers, have been embracing these schemes for 10 years. We know how successful Tir Gofal was as an environmental scheme. You can take that as a blueprint for Glastir and try to get those farmers on board quickly. If you have another farmer who is a bit nervous about these schemes and you can showcase a scheme on-farm, you will automatically start to see best-case scenarios taking form. I think that it was a bit of a downfall that we did not embrace the Tir Gofal farmers sufficiently.

[260] There was some criticism that the same farmers would have their noses in the trough too many times. I think that you could use that as a sensible argument. Farmers are nervous about bureaucracy in schemes. If the people who were doing a good job within Tir Gofal showcased that on their farms and then exemplified it across the valley, that would work. Once you get the targeted element to work with joining areas up, I think that that would work. Nobody mentions the targeted element within Glastir—it is the hidden part of the scheme. One day, we will hear what the targeted element of the scheme is; for me, it is the carrot. You have never used it to sell Glastir and I cannot understand why it is not out there being showcased. If you join up valleys, you can have an impact through the water and environmental directives, not just on a single farm, but on a whole valley. On the upper reaches, you could apply the water directives via liming, which has not been mentioned. You could work with the Wye and Usk Foundation on the rivers to improve fishing and the stocks in the rivers. There are all those schemes and you could get everything to be all-embracing. It is simple. I talk too much, I am sorry. Do you want to ask another question?

[261] **Lord Elis-Thomas:** We do not have any rules about talking too much in the committee. Some Members talk for quite a while sometimes. [*Laughter.*]

[262] **Ms Hockridge:** It is wonderful that Keri can be here, as he is a farmer himself.

[263] I am here on behalf of the Soil Association, also representing the Welsh Organic Group, so thank you for inviting us.

[264] Sometimes, in terms of the complexity and bureaucracy, a lot of farmers are saying that that is a difficulty, and sometimes it is the case that people are perhaps imagining that there is a greater difficulty than there actually is. However, it seems that there are long forms and guidance documents. There has been some feedback on the specifics, in terms of the guidance manual, in that it is perhaps not clear enough.

[265] More generally, looking forward for the scheme, there seems to be a lot of uncertainty, particularly among organic farmers. We have data here from the Graig Producers group and Organic Centre Wales. There are some worries about the future in terms of the upcoming round of CAP reform, and in terms of not knowing what that future scheme will look like, and that is perhaps putting them off joining the current scheme.

[266] So, although things seem to be up in the air in terms of what will come out of Brussels as a final agreement, at least there has been some indication to farmers that that has been thought about and worked on. It was encouraging to hear the Deputy Minister's comment yesterday from Brussels with some confirmation on Glastir. That was useful.

[267] **Lord Elis-Thomas:** As you may know, the committee spent two days last week in the European Parliament and in the Commission, and we are certainly confident that there is an understanding now that the further greening of CAP needs to be based on existing good practice in Wales and, indeed, the response among people whom we met, including officials, elected Members of Parliament, shadow rapporteurs and chairs of committees and so on was that they understand our history here, and the need to build on that.

[268] **Vaughan Gething:** We had a very constructive time in Brussels. We were sort of forewarned about the announcement about this idea that schemes that deliver real environmental benefit could assist in terms of the greening of pillar 1, recognising the gains that have already been made. However, I am interested in some of the evidence that you have given to us about the current impact on the sector and the level of uncertainty that exists. This morning, a couple of themes have arisen, and the targeted element did come up, so it is not just you that think that it is potentially there as a real method of delivery.

[269] Communication was a big issue and I am interested in the evidence that you produced about the lack of certainty for the future, and about those people who are uncertain about whether they will continue in the organic sector in the future. Could you help us to sketch out how much of that is about the current scheme and design of Glastir in itself? How much of that is about the overall uncertainty around CAP reform, which I do not think we can do much about? How much do you think that that may have been assuaged by the announcement about the Commission's current position during the past week, in terms of providing that element of greater certainty about what will happen with future funding?

[270] **Mr Davies:** It seemed to take a long time for the Deputy Minister to get behind the wording of a maintenance payment within organics. It was deemed that 50% introduction would be good enough to keep organic farmers within organic farming in Wales. Clearly, it would never happen. In the Rees Roberts report, we negotiated 50% to be taken away, a 50% reduction in the points threshold, in line with introducing the maintenance payment. The Deputy Minister came to the Royal Welsh Show and announced to the organic group that he would get behind the existing maintenance payment until Glastir was up and running, which was a huge benefit to organic farming. I cannot tell you how much that has prevented a lot of people from switching right there and then. There was a lot of shift in the marketplace. It was

really needed at that time to calm them down.

[271] We are going forward now into the next phase. The marketplace has changed a lot since Glastir was brought in. Food production is right up there and the scheme needs to catch up to where the marketplace is within Glastir to maintain its current 8.3% of the land in Wales, which is considerably above average. Wales has done well in organic farming, but to maintain that we must keep our eye on the ball because the marketplace has changed since Glastir was devised.

[272] **Ms Hockridge:** The marketplace is showing some signs of recovery after flatlining for a while during the recession. There are now some really promising signs of growth, so we hope that that will further encourage organic farmers. Recently, we have been looking into the current levels of payments across all member states. The little graph I have just put in front of you is some new research. I was not able to add it to the written evidence because it is not actually published yet. It was commissioned by the Directorate-General for Agriculture and Rural Development. It is a piece of work looking at the payment levels for organic farmers across all member states. You will note that the UK is the lowest of all member states. On the other side, the larger graph splits this into devolved nations, showing similar levels among them. It has been interesting to note the attitude of Governments across member states, which vary. Some see organic farming as a normal part of farming and a way to reach a lot of environmental goals in terms of climate change, biodiversity levels, water quality, soil quality and so on. We urge that the maintenance level payments be brought into line with the rest of Europe for Welsh farmers, as a way of being able to achieve many of the sustainability goals that you have.

[273] With regard to the greening element, there is recognition that organic farmers would automatically go through to the greening measures. That is down to a great deal of detailed analysis. In particular, the European Court of Auditors has reviewed a great deal of the evidence for the benefits of organic farming in relation to the environment. If other schemes were to be included in that way, we urge that there should be similar levels of evidence as a result. We are quite cautious about the new ideas for other schemes coming in. We need to see that there is the same level of evidence as for organic farming.

[274] **Mr Davies:** It is worth mentioning something in relation to the fact that we heard that we were to get 30% of our single farm payment automatically in recognition of the quality of the organisation that organic farming belongs to. I also welcome Glastir being involved with it—it will help Glastir tremendously. However, it also has a negative effect on organic farming in perhaps an unforeseen way. If you are thinking about whether to remain as an organic farmer, you would know that if you were getting 30% of your single farm payment automatically, that meant that organic farming had a value. Just being in Glastir will hopefully have the same value, so there is another reason to look for increased maintenance payments to hold you within the scheme. It is worth mentioning that.

[275] **Vaughan Gething:** When we were talking to a variety of people in Brussels, we were quite clear on the point about equivalence, in the sense that we want schemes of equivalent environmental benefit, if you are automatically going to qualify for the proposed 30% in pillar 1, which is not certain yet. I am still interested in this idea about the level of certainty and uncertainty about the future. I take on board your point about the impact there might be if farmers see that, by farming a different way, they can still get that element of the payment. I am interested in how much impact that would have and how you weigh that up compared to the uncertainty that exists in general about what will happen with CAP reform and budgets on a European level. Where do you see this falling, because we are interested in the different factors that affect people's confidence in Glastir and whether it is about what the Welsh Government is doing? There are factors that the Welsh Government does not have complete influence over. It has an influence with regard to CAP but, obviously, not complete influence.

To what extent does it come back to this point about communication? The point was made to us very bluntly that if the communication had been better, the uptake would have been better and we might not be where we are now.

1.45 p.m.

[276] **Mr Davies:** You threw everyone with your points system, taken from a per-capita work scheme, when farmers are used to doing the work and being paid a cheque for the work that they did. They see the value in that straight away, unlike when they are told that they will have to work for three years for nothing and then get the money back over the set fourth or fifth year, which, if you break it down, is what will happen. A lot of people do not understand that it is an improved payment on the Tir Gofal payment—it was 80% in Tir Gofal but it is 100% in Glastir. That message has not come across; it has certainly not been explained well enough. It is too late in the day to change the process, but if you had kept with a capital works programme, farmers would have embraced that, because they were used to it and they were happy with that scheme.

[277] You mentioned the uncertainty within agriculture in relation to the CAP reform. You asked for some modelling to be done, so we are fortunate to be doing some modelling work of our farmers with Andersons, and Terri Thomas is working with us on that. What has happened is stark, and although I will be going off remit a little, given that you mentioned it I will bring it up. The CAP reform, as it stands, will take 33% of our single farm payment off our farm and, within the group, dairy farmers will lose 67% of their single farm payment, which are vast sums of money. That is two labour units on our farm. So, there is a lot of work to be done to maintain food production within the sector. Something like 57% of Welsh agriculture is producing 5% of the food, but where the food is being produced is where the single farm payment is, and if you roll that up into the hills, then there will be a big problem within the livestock and dairy sectors for sure. That is a big concern of ours.

[278] **Vaughan Gething:** I want to talk about my favourite topic, which is high sugar grasses, but perhaps other Members want to ask questions first, Chair.

[279] **Antoinette Sandbach:** Your survey results stated that 29% of producers stated that they intended to withdraw from organic production, with another 33% uncertain. Is that because of the restrictions in relation to the way in which you have to operate your land? Do those restrictions effectively reduce your yields? So, with the marketplace the way that it is, they want to be able to increase yields and increase productivity on their land.

[280] **Ms Hockridge:** That survey was carried out by Organic Centre Wales. It asked farmers the reason for that intention to withdraw, and the main reason given was they were worried about the lower agri-environment payments in Glastir and the new regime. However, aspects around the market are also likely to come into play. We are currently seeing—and Keri can elaborate on this—more even levels between the organic and non-organic sectors, particularly on the lamb sector and other sectors. However, in terms of the future for organic farmers, we are certainly seeing that input prices, such as those for nitrogen fertiliser, are increasing quickly and that there will be benefits. It is interesting that you mentioned Andersons, the farm business consultants, because it did some interesting modelling work around increases in the prices of oil and what that would mean in terms of the economics of future organic and non-organic farming. It found that, as oil increases in price, which is likely to happen again as we come out of a global recession, the economic levels in relation to organic farming look much more favourable for the future. So, we urge organic farmers to stick with it. There is some uncertainty about the architecture of the next phase of CAP, as we have already mentioned.

[281] **Antoinette Sandbach:** I am interested in what you said about the increase in fertiliser

costs. The increases in oil prices, of course, affect the ability to run a tractor to plough a field. So, there are general increases in farming input costs. Does that mean that nitrate fertiliser is being applied less in the conventional farming sector?

[282] **Ms Hockridge:** We do not have full evidence of whether or not that is happening. However, there is anecdotal evidence, which Keri might have as well, that farmers are applying less, which we generally welcome. As greater knowledge is spread around the benefits of using, for example, red clover, organic and non-organic farmers are using those skills and techniques. The Soil Association welcomes talking to non-organic farmers about some of the techniques that they might be able to use in future.

[283] **Mr Davies:** It would be very useful to showcase this to conventional farmers because they have always been seen as the boys in the corner of the organic sector. The Rees Roberts review was very good in bringing the unions together and allowing us to understand each other a little. We clearly need to work together, and we also need to work with conventional farmers because we have so much to share. I have been in the organic sector for four and a half years and I cannot believe what we are doing on our farm. It has been mind-blowing for me to understand that we can fill our silage pits, sell food, produce all our own corn, and fatten all our cattle—our lambs go to Waitrose—all off our own farm. We have no lorries coming in, no fertiliser other than Ps and Ks, and no nitrogen. The only thing that I buy is 4 tonnes of protein per year. I just cannot get over the fact that we can do this so well in quite a high rainfall area, but that comes down to understanding what makes a good sward and understanding where red clovers, in particular, play a big part in it. We could sell that to the conventional sector.

[284] However, I am looking over my shoulder because I have just planted 35 acres of corn in the Tir Gofal and Glastir areas. It stands there now, but it is not above ground yet. It has been in for three weeks. It is standing there and the weeds are growing very well. The weeds are starting to get ahead of the corn because the corn is still lying there. If that does not change, I will have a heck of a mess on my hands and I cannot do anything about it. That is enough of a shock for an arable system for me to think, 'I must get back out of this and we must spray those weeds'. The payment within Glastir needs to recognise the difficulties in trying to produce food in the organic sector, and it clearly needs to reflect that.

[285] **Antoinette Sandbach:** I want to move on. You have also raised two points, one of which is about the lack of flexibility in the scheme and how that may affect take-up. The other point that we are concerned about is the record-keeping, particularly at the lower level of the scheme. Could you comment on those two issues?

[286] **Mr Davies:** Field data records are onerous and time-consuming. Farmers will absolutely hate it. We were involved in the red-tape review, and Gareth wanted to do a good job for that. Under the red-tape review, you need to look at that. Clearly, it smacks right against it. That is way more information than is practical, because you will not use it yourselves. You will not bring it to bear. You will ask for an awful lot of information that you will not do much with, I suspect. I think that you could do quite well without that. In just one instance alone, it would be a major help.

[287] **Antoinette Sandbach:** I also raised the point about flexibility and potentially bringing in additional land at a later point.

[288] **Mr Davies:** I am sorry; I forgot about that. Glastir is not a five-year scheme; it is a rolling, targeted scheme. It could last seven, eight or more years. Therefore, where is the break clause within a seven-year scheme? Land needs to fluctuate much quicker than that. We will be offered around 180 to 200 acres next year. I will have to start that up under a new Glastir scheme under a different name. I would rather keep it in my own name, but I cannot

afford to wait seven years if there is a break clause to bring that in. Clearly, that is just one example. I cannot see why there could not be flexibility where you keep the five-year arrangement within the scheme and, in addition, if you want to bring more land in, you can also bring that in and start a five-year scheme within the scheme. My parents will run off with the Glastir scheme, and I will be running that again. Farmers will always find a way. Keep it in a nice shape and in its correct form, and allow flexibility within the scheme. It is an important one. Try to do so if you can. You will find a way.

[289] **Rebecca Evans:** The Soil Association evidence states that,

[290] ‘Strong governmental support for organic farming and the subsequent benefits it can bring to the environment and economy has been extremely noticeable in a number of European countries.’

[291] You then cite Austria, Denmark, France, Germany and Switzerland as places where the organic industry has been particularly strong, despite the recession. What, do you think, the Governments in those countries are doing well to support organic farming, and what can we learn from them in Wales?

[292] **Ms Hockridge:** We produced a report on this approximately a year ago, under the cheeky title, ‘The Lazy Man of Europe’, unfortunately. It discusses the UK Government and that it perhaps gives less support. The Welsh Government has given good support for organic farmers, therefore the title of the report was targeted more towards the English Government.

[293] **Lord Elis-Thomas:** I believe that it is called the United Kingdom Government. It may, for the purposes of agriculture, be mainly the Government of England.

[294] **Ms Hockridge:** Absolutely.

[295] **Lord Elis-Thomas:** We take your point. It is all right; I am only pulling your leg.

[296] **Ms Hockridge:** In terms of the other countries and what they are doing, there have been some really interesting schemes, particularly in public procurement, involving local, fresh organic food. There have been some interesting ways of getting better food into hospitals, schools and the military, so the Government can have a direct impact in terms of where it is sourcing food from. Some of you might not be aware that there is a scheme in the UK called the Food for Life catering mark, which is a Soil Association scheme that the Minister has shown a lot of interest in—we have been to give a presentation on this. It is the type of scheme that is used in other European countries. The catering mark is not just about organic food; it is about local, fresh food, with lower levels of additives, and encouraging people to understand a bit more about where their food has come from. There is a bronze, silver and gold level. We urge the Welsh Government to get engaged with that.

[297] So, that is the sort of scheme that is out there, but, in general, it is also about the attitude of the different Governments in terms of normalising organic food and farming. That means not seeing it as a niche area so much, but just as an effective way of meeting environmental measures. They are seeing it as an automatic way of protecting soil, biodiversity levels and the climate, and part of the attraction of that is that it is a legally defined scheme and does not have the same cost to taxpayers in that the certification and auditing costs are borne by the producers themselves. It is seen as a way of meeting some of those targets. It is that shift in attitude away from being seen as food for posh people, or however it might be seen sometimes—it is a normalising approach.

[298] **Llyr Huws Gruffydd:** Un neges **Llyr Huws Gruffydd:** One message that I rwyf wedi ei derbyn gan nifer o bobl, yn have received from a number of people,

mynd yn ôl i gychwyn y rhaglen, yw pa mor
frysiog y cyflwynwyd Glastir. Hoffwn ofyn
am eich profiad chi; a ydych chi'n teimlo'r
un fath?

going back to the start of the scheme, is how
rushed the introduction of Glastir was. I
would just like to ask about your experience;
do you feel the same?

[299] **Mr Davies:** Without mentioning names, the Minister at the time was certainly hellbent on rolling this out. It was going to happen. The unions did a lot of work and tried to say that they were not ready, and, with hindsight, yes, it looked as if it would be pretty scary, and it turned out to be that way. We can learn lessons for the future, but we cannot change what has happened in the past. I do not think the Farming and Wildlife Advisory Group did a good job. That could have been handled a lot better, I think. That has clearly been documented through and through. In bringing this forward, I think that you have the ear of the Welsh Government—it is clearly listening, and that is a good thing. We applaud that from the floor up; thank goodness you want to make this scheme work. We are keen to embrace all angles, to try to help you get it right if we can.

[300] The stakeholder meetings that we have had have been useful and have gathered an awful lot of information. Gary Haggerty was good in implementing all of that. There is a lot of evidence coming in and it is now a matter of what you do with it and how well you put this together. A lot of the Rees Roberts things were left out, through cost implications, I suspect. If you go back through the reports, you will see that there are a lot of good things there that have been left behind, and they could be implemented, I suspect, and possibly within the targeted element—such as the liming one and the fisheries one. You could embrace that aspect of it. The Welsh Government wants to improve forestation of the hills and plant a large amount of woodland. There are big directives there; what impact will those have? If you can start to lime the upper reaches and improve the fisheries stock, there is a whole group of things happening at the same time.

[301] Just to go back to something you said about flexibility, we are having a nightmare trying to draw the individual field parcels into last year's commitments. Each field is a slightly different size, and it does not fit, so you end up with one field being a mix of three crops to try to ensure that you hit your targets, otherwise you will get penalties in those areas.

2.00 p.m.

[302] We are asking whether a suggested 10% flexibility could be added into the points threshold, so that you can add—not so much to detract, because you have to be careful on detraction. There certainly should be some flexibility in there to allow farmers to fit their fields a little better, without having that problem of having three crops with three different fences, which does not really work. I think that it is important to try to improve the flexibility on farm.

[303] I am sure that boundaries and roadside hedges have been mentioned today. For whatever reason, you were not able to put them in, but please find a way of redressing that. Roadside boundaries and hedges are important to farmers and they are a showcase; you can sell them to the public very well, so please try to get them in.

[304] **Llyr Huws Gruffydd:** Diolch am yr ateb hwnnw. Rydych wedi awgrymu neu gyfeirio yn barod at y ffaith y cyflwynwyd newidiadau yn sgîl adolygiad Rees Roberts. Mae *stock take* yn digwydd yn awr ac mae diwygio PAC ar y gorwel. Mae Glastir wedi tueddu newid a datblygu dros amser, ond un cerydd arall sydd wedi bod yw'r modd mae'r

Llyr Huws Gruffydd: Thank you for that response. You have suggested or referred already to the fact that changes were introduced following the Rees Roberts review. The stock take is happening now and CAP reform is on the horizon. Glastir has tended to change and develop over time, but one other criticism that there has been is of

newidiadau hynny wedi cael eu cyfathrebu i ffermwyr a bod y newidiadau hynny wedi bod yn rhy bell o flaen ymwybyddiaeth y diwydiant. Hoffwn wybod, o'ch profiad chi, a yw hynny wedi ychwanegu at y rhwystredigaeth a pheri rhwystr arall i rai pobl rhag prynu i mewn i'r rhaglen.

the way that those changes have been communicated to farmers and that those changes have been too far ahead of the industry's knowledge of them. I would like to know, from your experience, whether that has added to the frustration and formed another obstacle to some people buying into the scheme.

[305] **Mr Davies:** I will give you one example. Here is what happened: first, we had this booklet, and then we had this other one. So, we now have to use two booklets, because you are implementing both. I am in the first scheme, so I am, possibly, not eligible for what will be provided under the changes that you will make next time. You need to get away from this scenario in which there is a need for two books. In the stakeholder meeting, we had three agents who were going on farm and they were not aware of the last changes. That was times 10. The farmers that they had visited had had the wrong information times 10. It will happen over and over. Try to get to a scheme where it is all the same and implement the changes for the ones already in the scheme. It will mean more work, I know, but you should get everyone in the same book, with the same rules and points. Stop this duplication, and bring in simplification, so that when we go to our regional offices, the Glastir book comes out and we will all be in it, with the same points and the same mechanisms, and we can ditch this old one forever. That needs to happen, because you will change it again, I suspect, and the points threshold may change as well. Take it all the way back and go back over it—there will not be that many of us; there will be something like 1,400 of us, I expect. It will be worthwhile making that extra effort to bring us all into an all-embracing scheme. I probably missed addressing your question, or did I elaborate on what you were asking somewhere?

[306] **Llyr Huws Gruffydd:** Roedd ynglŷn â sut mae'r newidiadau wedi cael eu cyfathrebu i ffermwyr, fel bod pobl yn ymwybodol bod newidiadau wedi digwydd, achos mae rhai pobl dal i weithio oddi ar yr hen systemau a thybio bod y cynllun dal yr un mor anaddas iddynt ag oedd ar y dechrau.

Llyr Huws Gruffydd: It was about how the changes have been communicated to farmers, so that people are aware that changes have happened, because some people are still working under the old systems and believe that the scheme is still as unsuitable for them as it was at the start.

[307] **Mr Davies:** I am up to speed, because I have had a heavy involvement with this from the word 'go' and I have been involved with all the other things, which have helped me to shape the information that we can bring to you today. From the ground up, we talk to farmers and the negativity that there was at the start is still there. You cannot get beyond that point. It sits within the threshold of farming. To get that to move will take a huge effort, because the view is, 'Glastir is too bureaucracy-heavy and does not pay enough, and we do not want it'. It sits there as a great big stumbling block to moving forward. You have to change hearts and minds. I do not know—the damage has been done. You need to showcase the best scenarios and get the targeted element working—I do not know why on earth we are waiting two years to get the targeted element working. Why can we not get stuck into that straight away and get on with the job? The best case is that ACRES will work. We have been offered it on the farm, and we can make slurry improvements. Farmers will be interested in that, and they will think 'We'll get a roof over the slurry pit now. That's a good thing. We'll have dry muck on the farm'. We cannot wait to get started on that. However, it is too bureaucracy-heavy. I picked it up as a point and said that we are paying a lot, because it costs £500 a day and is 80% funded, but, in the whole scheme, there are about three agents, and they will not pick up the phone, because they have been busy on IACS and have not touched it with a bargepole, so you cannot call in the quality of people that you want to get these water directives, a whole-farm plan and everything else that is involved. Can there not be a simplified system to get it in? You have had to extend the scheme date—thank God that you did—to allow it to go back into

the autumn. Planning permission and all of that involves a huge amount of bureaucracy and I suspect that it will stall people. If someone is doing a slurry pit today, the expense of meeting the British Standards Institution standards within the scheme may be very negative and I think that it will stop people from doing it. The BSI standards for slurry are very cost negative. So, some consideration may need to be given to improving that.

[308] The targeted element will definitely help to showcase the scheme to, for example, a farmer within a valley. It took about three years for Tir Gofal to sell itself. We were the first; we launched Tir Gofal for you. The Minister at the time, Christine Gwyther, came out to our farm and we launched it 11 years ago. We were the first in Wales to launch it and we were proud to do so. It has been a flagship ever since. Farmers stand back and look at it and say, 'Wow, what a good scheme'. They all wanted it after year five, but they could not get into it. I think that Glastir will be the same. However, you need to change their hearts and minds and showcase the best scenario and it will sell itself. There is no need to do it afterwards. The 30% under the single farm payment from 2014 will help.

[309] **Ms Hockridge:** With many schemes in the organic sector, it seems that, once farmers have seen that their neighbours have gone into a scheme and it has been successful, it has given them the encouragement and the extra confidence to take that forward. So, I suppose that the uptake for many schemes is slow at the beginning.

[310] I would like to make one other quick point on communication. I had a look through the website recently, specifically in relation to the organic farming scheme. It is a few days since I looked, but it still did not seem to be reflecting the updates in terms of the separate maintenance payments. That is slightly worrying, because I came across it and was a bit confused; I can imagine that a farmer would have been as equally confused about that.

[311] **Antoinette Sandbach:** I would quickly like to pick up Keri Davies on what he said. You are operating on the basis of two booklets. Were you saying that, when the schemes are revised, the early take-up—so the people who are hoping to be the flagships for the scheme—are effectively working under the pre-revised rules?

[312] **Mr Davies:** Well, the scheme has started, you see. I would like to think that the boundary hedges will be included. We have just bought some more land and the boundary hedges badly need to be done. I thought that if I could keep it in for another week, I would be eligible. However, I was told by the scheme officer that the scheme had started and I had to sign the contract. Another week, and I think that it would be included; I was just thinking that it might come in. However, with regard to the two books, I could not take my points from the new points, and the scheme will change again; the points system has changed. So, those need to be tidied up and incorporated into one.

[313] **Antoinette Sandbach:** Yes, otherwise it seems to me that these early starters who you want to send out positive messages are penalised for going in early and, when they do send out a message, it is not a message about what the scheme currently represents. So, it seems to me that your suggestion that it should all be incorporated into one is a very sensible one.

[314] **Mick Antoniw:** It sounds as if there is a distinct advantage to not going in early and seeing how it goes. Is that right?

[315] **Lord Elis-Thomas:** The reason why we decided to organise this inquiry alongside the stocktaking of the Deputy Minister was precisely so that we could influence policy. What you have told us this afternoon is very valuable. What is your view about how this scheme is administered? You referred to bureaucracy, a lack of communication and the difficulty of operating through encouraging best practice, and so on. We had a discussion earlier today

with the Countryside Council for Wales and we discussed whether or not it might be appropriate for the new single environment body—which we have also reported on, and which we are expecting to emerge; we are still pursuing that development—to administer schemes such as this as it is so central to the notion of greening the Welsh environment and, indeed, of achieving public good in public policy through environmental and ecosystems approaches. I do not know whether you have considered this at all. You have talked about your experience of Tir Gofal, which, of course, was managed in those days by CCW; perhaps that produces a model that might operate a little differently.

[316] **Mr Davies:** It was sold through the project officer. You had a project officer; it was gold plated. It was really good and those early years were spectacular. Perhaps it is cost-prohibitive, but, if you want to create jobs, putting project officers back on the scheme would be a lovely touch, because they bring their expertise to the farm. They individualise the farm; it is not a map, it is a living farm, then. When the project officers come, if you can keep them long enough, you will develop a rapport over the five years, and you will come to trust them. They set their standards and you fence to their standards; you build that all up.

[317] I worry about sites of special scientific interest and Countryside Council for Wales approval within Glastir now. When we did our contract, we had about four SSSIs and two CCW officers and there was a lot of bureaucracy needed to get approval. However, it turned out that all that we needed to do—a project officer could have told us, had there been one—was deal with the fact that a fence was not going down the riverside in one section. It would only be 2ft of fence, but it was enough to trigger the CCW report. When we explained that there was a fence and then a big embankment, and you could not see it because there is a vertical drop, it was negated. A stone wall done under Tir Gofal triggered an SSSI inquiry, but, with the map pulled back just a millimetre, it was no longer needed. It is simple bureaucracy. You have to ring the advisers to get them out, and farmers do not want to do that. It could be simplified straightaway if you only had a project officer who could look at the farm and realise that it was not needed. We do not know what the issues are; I only realised what triggered the point off when it was explained it to me. We knew we did not have a castle in the field: what we did have was a fence line that was 1mm out on the map, and that was what triggered that inquiry. So, it would be good if you could get project officers, although I suspect that you cannot. Tir Gofal was so good in the early years because of the project officers.

[318] **Lord Elis-Thomas:** It is very good for us to hear this so that we can make the appraisal of what we think could be done. If communication is a problem, it has to be fixable. David, have you got a question?

[319] **David Rees:** The question has been answered, because I was going to ask a question on project officers. This morning, we have heard a variety of views. I heard some witnesses saying that farmers quite enjoy having the money themselves and buying their own consultants in. Yet, you identified clearly that the £500-a-day costs are quite high, and that the project officers are important.

[320] **Mr Davies:** Perhaps I should have made it clear that I understand that it is 80% funded. I was wondering, from a taxpayer's point of view, whether £500 a day is worthwhile, given the bureaucracy needed to make it work in the first place. In the bigger picture, would that £500 be better off being spent on a project officer who has all the information and is well trained, well briefed and can go through everything—IACS, the targeted element, energy and the whole thing—and sell the whole package in one go? That person would come to the farm, knowing everything that needs to be known. They would know how to go about it and how to put the grants schemes together. That person would be worth employing.

[321] **Mick Antoniw:** It seems that, at a certain stage, according to some of the evidence

that we heard earlier, a decision was taken that project officers would not be involved because the best thing to do would be to maximise the amount of money that was available for distribution. What I do not think that we got to was precisely when that decision was taken and what the background to that was. It just seems that somewhere along the way, perhaps in negotiations, that was the conclusion reached, and, possibly, it seems not to have worked out.

[322] **Antoinette Sandbach:** Concerns have also been expressed about the training for project officers and whether there was a different message being conveyed. The message was not always consistent. Sometimes, farmers were being told things by a project officer that then, according to the scheme rules, turned out to be different.

[323] **Mr Davies:** It could have a very negative impact on the farm if a project officer came in with the wrong attitude. I can remember one instance where we had a project officer on the farm and I asked her to leave within five minutes because it was not working out at all. I had a phone call from the head office asking why, and I said that, 'If I am going to have a rapport with this project officer, it failed on day one'. It is very important to get a good working relationship at the start. I had had two project officers before this one, but it was not going anywhere. We wanted to take the second farm into Tir Gofal. She came to the farm and refused to walk around the farm with me. She said, 'I'll walk around it and talk to you when I get back'. I said that I would like to walk with her and talk to her, for me to learn what she knew and for me to talk to her about how I see things on our farm. She did not want to know, so I said, 'We just will not do it, then'. So, there is a big difference with a good project officer, when somebody knows their job.

2.15 p.m.

[324] **Lord Elis-Thomas:** Finally, did you have any particular concerns about the statement that the Deputy Minister made earlier this month about the potential reduction in agri-environment schemes in future? Is that a concern that you have registered?

[325] **Ms Hockridge:** Certainly, in terms of levels of funding, that would be a concern. When we start looking at the costs involved in producing good results in terms of agri-environment schemes, farmers need adequate support to be able to do that. Also, when you start looking at the measurements in terms of biodiversity benefits, it does seem extremely important.

[326] **David Rees:** What are your views on the review of CAP and the impact that it may have on the schemes coming through? What are your concerns, should we say, more than anything else?

[327] **Ms Hockridge:** Specifically, as organic farmers, we have been quite pleased with the recognition in the draft proposals that have been put forward of organic farming as an important way of delivering results for the environment through inclusion in the greening proposals. Also, in a separate area, there is talk in the proposals of a stand-alone scheme for organic farming under pillar 2, which we welcomed—the details of that have not come through. In general, we were pleased with that. Of course, it will be interesting, as the negotiations continue, to see how things pan out.

[328] There are some specific areas that we have been concerned about, and we are working closely with colleagues from other non-governmental organisations and other farming unions on them. For example, the permanent grassland specification will cause problems for organic farmers. The first draft had a five-year cut-off point for permanent grassland, and that would mean, for quite complex rotations like those that a lot of organic farmers are using, which might be a rotation of seven years, that that would cause huge problems. However, it looks like there has been movement—the last thing that I heard was

that Commissioner Ciołoş had said that it was likely to be at least eight years. I think that that was the last iteration, so we are pleased with that.

[329] As we were mentioning earlier with regard to other schemes being included in getting automatic inclusion in the greening payments, we are cautious about that in terms of ensuring that the other schemes have the same benefits as organic farming, because of the detailed process that the Commission went through to agree to it for organic farmers. It went through the European Court of Auditors and so on and we put in detailed evidence on the benefits. That is another specific point.

[330] **David Rees:** Are your colleagues wary of coming into Glastir until those issues have been clarified? We heard this morning that there are some concerns about moving forward until there is further clarification of CAP reform.

[331] **Ms Hockridge:** Yes, it does seem from the reviews and the questionnaires carried out by Organic Centre Wales and Graig Producers that the main reason for thinking about moving out of organic farming has been linked to uncertainty and lower levels of payments within the schemes. That does seem to be an issue.

[332] **Lord Elis-Thomas:** As there is nothing else from colleagues, I thank you very much for presenting in the way that you did this afternoon. It emphasises for us that we must not—not that we have done in the past, but we certainly will not in future—neglect the contribution of your sector to our discussions.

[333] **Mr Davies:** Could I bring in one little point that has not been mentioned?

[334] **Lord Elis-Thomas:** Of course.

[335] **Mr Davies:** It is OCW and what might be right to call its demise. The sector is in a void where information is concerned right now. We are clearly asking for the right signals to come from the Welsh Government to tell us what is going to happen. I think that the new tender is going out. We have tried to help, the Welsh Organic Group has tried to help shape that, but I would just ask what would have happened if the Welsh Organic Group and the Soil Association had not come together to try to get some sort of shape to the organic sector. You have left this sector on its own a little bit; it could perhaps have been handled a little better if the tendering process had been done while OCW was still running, so that there was something there to help shape things. Better Organic Business Links is still going. We need something that could communicate and direct. There is something missing in the sector right now and I hope that everything will come back together fairly soon.

[336] **Lord Elis-Thomas:** Whenever we can, we question and call to account all four Ministers who are accountable to this committee in different ways and for different reasons. As far as the two main Ministers responsible for the environment and agriculture are concerned, namely John Griffiths and Alun Davies—I should also mention Edwina Hart, otherwise I will be in trouble—we call them to account and we will certainly ask them that question. We could ask it as a research question from this committee and, since you have asked it of us, incorporate the response in our deliberation on this matter.

2.21 p.m.

Papurau i'w Nodi Papers to Note

[337] **Yr Arglwydd Elis-Thomas:** Mae **Lord Elis-Thomas:** We have a letter about gennym lythyr am gapasiti awdurdodau lleol the capacity of local authorities to deal with

i ymdrin â cheisiadau cynllunio yn codi allan o'r craffu yn ystod ein hymchwiliad ar ynni a chynllunio.

planning applications arising out of scrutiny during our inquiry into energy and planning.

[338] Mae gennym lythyr gan yr un Gweinidog ynglŷn â chanllaw statudol drafft ar dir halogedig a llythyr arall gan yr un Gweinidog, a welsoch chi cyn y ddadl a gawsom yn y Siambr ynghylch y Gorchymyn Bwrdd Dyfrffyrdd Prydain (Trosglwyddo Swyddogaethau) 2012 a'r trosglwyddo i Glandwr Cymru. Rwy'n meddwl bod aelodau'r pwyllgor wedi cael copi o'r ohebiaeth honno cyn i'r drafodaeth honno ddigwydd.

We have a letter from the same Minister on draft statutory guidance on contaminated land and another letter from the same Minister, which you saw before the debate we had in the Chamber on the British Waterways Board (Transfer of Functions) Order 2012 and the transfer to Glandwr Cymru. I believe that committee members received a copy of that correspondence before that discussion occurred.

2.22 p.m.

Cynnig o dan Reol Sefydlog Rhif 17.42 i Benderfynu Gwahardd y Cyhoedd o Weddill y Cyfarfod a'r Cyfarfod ar 23 Mai

Motion under Standing Order No. 17.42 to Resolve to Exclude the Public from the Remainder of the Meeting and the Meeting on 23 May

[339] **Yr Arglwydd Elis-Thomas:** Byddwn yn gwahardd y cyhoedd o'r cyfarfod ar gyfer yr eitem nesaf, sef ystyried y dystiolaeth yn gryno a gawsom heddiw a'n camau nesaf. Gofynnaf i rywun gynnig y cynnig.

Lord Elis-Thomas: We will exclude the public from the meeting for the next item, which is to consider the evidence that we received today and our next steps. I ask that someone move the motion.

[340] **Llyr Huws Gruffydd:** Cynigaf fod

Llyr Huws Gruffydd: I move that

y pwyllgor yn penderfynu gwahardd y cyhoedd o weddill y pwyllgor a'r cyfarfod ar 23 Mai yn unol â Rheol Sefydlog Rhif 17.42 (vi).

the committee resolves to exclude the public from the remainder of the meeting and the meeting on 23 May in accordance with Standing Order No. 17.42 (vi).

[341] **Yr Arglwydd Elis-Thomas:** Gwelaf fod y pwyllgor yn gytûn.

Lord Elis-Thomas: I see that the committee is in agreement.

*Derbyniwyd y cynnig.
Motion agreed.*

*Daeth rhan gyhoeddus y cyfarfod i ben am 2.22 p.m.
The public part of the meeting ended at 2.22 p.m.*