

Alun Davies AC / AM
Y Gweinidog Cyfoeth Naturiol a Bwyd
Minister for Natural Resources and Food



Llywodraeth Cymru
Welsh Government

Eich cyf/Your ref P-04-465
Ein cyf/Our ref AD-/00185/13

William Powell AM
AM for Mid & West Wales
Chair Petition's committee
Ty Hywel
Cardiff Bay
Cardiff
CF99 1NA

Dear Bill,

7 April 2013

PETITION TO PROTECT WELSH MILK PRODUCTION, PROCESSING AND THE DAIRY INFRASTRUCTURE

Thank you for your letter dated 21 March seeking my views on the petition from Richard Arnold about Milk Production, Processing and the Dairy Infrastructure within Wales.

The Welsh Government's Programme for Government specifically identifies food as a priority sector for support and I am fully committed to supporting the dairy industry to be a viable and thriving part of the Welsh economy. To date £5.6 million has been awarded to dairy projects with a further £3.3 million Supply Chain Efficiency support in place to improve the Welsh Dairy Supply Chain. Furthermore £5 Million has been awarded through the Processing and Marketing Grant to the Welsh dairy industry to support 20 dairy processing projects and this has leveraged a further £16m of private sector investment.

I launched the Plan for Milk at the Royal Welsh Show in July 2012 and have established the Wales Dairy Task Force and, as the Chair, I will be working with the industry to push forward an innovative agenda. The Task Force, which is due to be in place until 30 September 2014, has a challenging agenda to examine the differences between the most and least profitable dairy businesses in Wales – and to recommend ways to help lower performing businesses. In addition, the Task Force will consider the Welsh milk processing sector and that across the border, where most of our milk is processed.

The Task Force will focus on supply chain issues such as the operation of the Voluntary Code of Practice and consider any need for change before our full review after the Code has been in place for two years.

I recognise the importance of added value in the supply chain and I will be also exploring the potential with Welsh Dairy Processors/Food producers on achieving protected geographical indication (PGI) or protected designation of origin (PDO) status for Welsh Cheeses. To receive the PGI status, the entire product must be traditionally and at least partially manufactured within a specific region and thus acquire unique properties and I believe that this prestigious status could support the Welsh dairy processing industry considerably.

I am keen to ensure that the Welsh Dairy Industry is robust and competitive. I believe that knowledge transfer is key to developing the industry's capacity to be competitive and our Farming Connect programme is providing easy-to-access advice on the best ways to cut costs and increase profitability. I recently announced that the number of days of subsidised business and technical support available through Farming Connect has been increased from five to eight days as I understand that this advice is consistently well received by farmers.

A handwritten signature in blue ink, appearing to read 'Yours ever' followed by a stylized signature.

Alun Davies AC / AM

Y Gweinidog Cyfoeth Naturiol a Bwyd
Minister for Natural Resources and Food