



Cynulliad Cenedlaethol Cymru
The National Assembly for Wales Y Pwyllgor
Amgylchedd a Chynaliadwyedd
The Environment and Sustainability Committee

Dydd Mercher, 25 Gorffennaf 2012
Wednesday, 25 July 2012

Cynnwys
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Yn y golofn chwith, cofnodwyd y trafodion yn yr iaith y llefarwyd hwy ynndi. Yn y golofn dde, cynhwysir trawsgrifiad o'r cyfieithu ar y pryd.

In the left-hand column, the proceedings are recorded in the language in which they were spoken. The right-hand column contains a transcription of the simultaneous interpretation.

Aelodau'r pwyllgor yn bresennol
Committee members in attendance

Mick Antoniw	Llafur Labour
Keith Davies	Llafur Labour

Yr Arglwydd/Lord Thomas Russell George	Elis-	Plaid Cymru (Cadeirydd y Pwyllgor) The Party of Wales (Committee Chair)
Vaughan Gething		Ceidwadwyr Cymreig Welsh Conservatives
Llyr Huws Gruffydd		Llafur Labour
Julie James		Plaid Cymru The Party of Wales
William Powell		Llafur Labour
David Rees		Democratiaid Rhyddfrydol Cymru Welsh Liberal Democrats
Antoinette Sandbach		Llafur Labour
		Ceidwadwyr Cymreig Welsh Conservatives

**Eraill yn bresennol
Others in attendance**

Alun Davies	Aelod Cynulliad, Llafur (Dirprwy Weinidog Amaethyddiaeth, Bwyd, Pysgodfeydd a Rhaglenni Ewropeaidd) Assembly Member, Labour (Deputy Minister for Agriculture, Food, Fisheries and European Programmes)
Gary Haggaty	Pennaeth Amaeth, Pysgodfeydd a'r Strategaeth Wledig, Llywodraeth Cymru Head of Agriculture, Fisheries and Rural Strategy, Welsh Government

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

Lara Date	Clerc Clerk
Peter Hill	Dirprwy Glerc Deputy Clerk
Nia Seaton	Y Gwasanaeth Ymchwil Research Service

*Cynhaliwyd y cyfarfod yn y Sioe Fawr, Llanelwedd.
The meeting was held in the Royal Welsh Show, Builth Wells.*

*Dechreuodd y cyfarfod am 11.03 a.m.
The meeting began at 11.03 a.m.*

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

[1] **Yr Arglwydd Elis-Thomas:** Croeso i gyfarfod cyhoeddus y Pwyllgor Amgylchedd a Chynaliadwyedd. Rydym eisoes wedi cael cyfarfod preifat gyda'r Dirprwy Weinidog, gyda *briefing* ar y polisi amaethyddol cyffredin, ond byddwn yn awr

Lord Elis-Thomas: Welcome to the public meeting of the Environment and Sustainability Committee. We have had a private meeting with the Deputy Minister, with a briefing on the common agricultural policy, but we will now move to a scrutiny

yn mynd i sesiwn graffu ar swyddogaeth y Dirprwy Weinidog yn gyffredinol ac yna i edrych yn benodol ar Glastir. Croeso i'r Dirprwy Weinidog a chroeso i Gary Haggaty; mae'n dda gennyf eich gweld yma. Diolch i'r Clybiau Ffermwyr Ifanc—un o fy hoff sefydliadau—am y croeso unwaith eto inni gynnal ein cyfarfod cyhoeddus. Yn amlwg, mae ychydig o sain i'w glywed yn achlysurol o'r tu allan, ond mae'r clustffonau hyn yn gweithio ar gyfer clywed yn ogystal ag ar gyfer cyfieithiad. Os ydych yn gwrando drwy'r rhain, byddwch yn clywed lleisiau hyfryd y cyfieithwyr yn cyfieithu o'r Gymraeg i'r Saesneg—gobeithio bod hynny'n digwydd yn awr. Yna, pan fydd pobl yn siarad Saesneg, byddwch yn clywed y Saesneg yn glir drwy'r clustffonau. Dylai hynny ofalu am unrhyw sain. Dylech ddiffodd ffonau symudol ac yn y blaen.

session on the Deputy Minister's general duties and then one to look specifically at Glastir. I welcome the Deputy Minister and also Gary Haggaty; I am pleased to see you here. I thank the Young Farmers Clubs—one of my favourite organisations—for the welcome once again for this public meeting. Clearly, there is occasionally some noise from outside, but these headphones will work for amplification as well as for interpretation. If you listen through these, you will hear the wonderful voices of the interpreters translating from Welsh to English—I hope that that is happening now. Then, when people speak English, you will hear that coming through clearly on your headset. That should deal with any noise. You should all switch off your mobile phones and so on.

11.05 a.m.

Craffu ar Waith y Dirprwy Weinidog Amaethyddiaeth, Bwyd, Pysgodfeydd a Rhaglenni Ewropeaidd
General Scrutiny of the Deputy Minister for Agriculture, Food, Fisheries and European Programmes

[2] **Yr Arglwydd Elis-Thomas:** Diolch i'r Dirprwy Weinidog am ei bapur. A oes ganddo unrhyw beth pellach yr hoffai ei ddweud wrth agor?

Lord Elis-Thomas: I thank the Deputy Minister for his paper. Does he have any further opening remarks to make?

[3] **Y Dirprwy Weinidog Amaethyddiaeth, Bwyd, Pysgodfeydd a Rhaglenni Ewropeaidd (Alun Davies):** Diolch, Gadeirydd, a diolch i'r pwyllgor am y gwahoddiad i ymuno â chi'r bore yma; rwy'n ei werthfawrogi. Hoffwn gyflwyno Gary Haggaty, pennaeth amaeth, pysgodfeydd a'r strategaeth wledig, Llywodraeth Cymru. Mae Gary newydd gymryd drosodd fel y prif swyddog sy'n delio ag amaeth a physgodfeydd, ac ef yw'r prif swyddog sy'n fy nghefnogi i yn fy ngwaith ar faterion gwledig o ddydd i ddydd.

The Deputy Minister for Agriculture, Food, Fisheries and European Programmes (Alun Davies): Thank you, Chair, and thanks to the committee for the invitation to join you this morning; I appreciate it. I would like to introduce Gary Haggaty, the Welsh Government's head of agriculture, fisheries and rural strategy. Gary has just taken over as the principal officer in charge of agriculture and fisheries, and he is the principal officer supporting me in my work on rural affairs from day to day.

[4] Could I start by saying a few words on the issue that has, I think, dominated the show so far this week, namely the issue of milk prices and dairy? I have, this morning, unveiled the Welsh Government's plan for milk, following discussions that we have had both here at the show and prior to coming here to Llanellwedd. The plan for milk has eight points to it, following on from the dairy summit that I hosted last month in Aberystwyth. It was a very successful event, which followed on from the commitment that the Government made in its programme for government last year that dairy was a key sector to which we wished to

consider how we could provide more support. To that end, I hosted a dairy summit in Aberystwyth last month prior to the recent crisis in milk prices. I will be making a further statement to the National Assembly on these matters in the autumn, outlining how the Government seeks to provide greater and further support to the dairy supply chain.

[5] However, we also understand that the dairy supply chain—farmers particularly, perhaps—require fairness and transparency in the mechanisms that exist in terms of providing payment for milk. We had a series of ministerial meetings of UK administrations on Sunday, and Members will be aware of the agreement reached on Monday—the heads of terms agreement, at least. This process will now continue until the end of August, when it is hoped and anticipated that we will have in place a code of conduct that will govern the way in which milk supply contracts are written and agreed. We hope that this will provide the certainty and transparency that farmers and everybody in the process need.

[6] However, the Welsh Government also appreciates that a code alone will not, or may not, resolve all the issues currently facing the dairy supply chain. That is why we support the strengthening of an appropriate statutory framework to regulate the market. Members will be aware that I have already made statements to the National Assembly on the view of the Welsh Government—a view that is, I think, shared by the National Assembly as a whole—that we need to strengthen the Groceries Code Adjudicator Bill that is currently before the United Kingdom Parliament. I have written twice to the United Kingdom Government since the Queen’s Speech to make this case. The UK Government has not yet agreed to make those changes, and has resisted such changes in the House of Lords. We have considered this matter as a UK team of Ministers for agriculture, and I welcome the commitment of the Department for Environment, Food and Rural Affairs to look again at these issues. I am continuing to press the UK Government for a meeting on these matters, and I believe that it would be appropriate for the adjudicator to play a role in reviewing the effectiveness of the voluntary code of conduct.

[7] While we have agreement among all the GB administrations that the best way forward is through a voluntary code of conduct to govern the industry on a GB-wide basis, I have also asked my officials in the last weeks to consider the legislative options available to us under the dairy package, and I have asked officials to prepare draft legislation that will enable the Welsh Government to intervene, if necessary, on the form and coverage of contracts within the milk sector. I will be publishing this legislation in the autumn, and I give a commitment that we will consult and start a debate on the nature of that legislation prior to actually taking forward any legislation. I would not take forward any legislation in this matter unless it had the support of the industry as a whole. We will be considering all possible options in the autumn.

[8] I would also like to inform committee members that I have talked to officials who deliver the Welsh Government’s Farming Connect programme and asked them to put together a bespoke package of support and help for the dairy industry which, I hope, will help individual dairy farmers to cut costs and increase profitability. We will now be introducing tailored components into Farming Connect’s work to offer Welsh dairy farmers targeted advice on how to cut their production costs. I am also conscious that improvements in the sustainability of the dairy industry need to be underpinned by responsible behaviour by retailers and other downstream parties in the supply chain. I have had meetings with retailers here at the Royal Welsh Show, and over the course of the coming weeks and months I will continue to have those meetings with retailers to reinforce that message.

[9] Members will also be aware that, earlier this month, I published an update on the progress being made on the ‘Working Smarter’ initiative. All of the farming unions and representative organisations, have, I believe, welcomed this initiative and the progress that we have made since I published the report in January. This is not simply about red tape, but is a

fundamental reworking of how the regulation of agriculture works in Wales. It is far more ambitious than simply a red-tape review. We are continuing to work with the farming unions, and we will seek to ensure that regulation is appropriate and that it happens in such a way as to reduce costs and complexity for all involved.

[10] Finally, the Welsh Government continues to support CAP pillar 1 direct payments to farmers at current levels. We are continuing the conversation with the UK Government, which wishes to see substantial cuts in direct payments to farmers, and we will resist such an approach. We believe that direct payments to farmers at current levels provide the predictable financial support that farmers require over the coming years in order to shape the industry for the future. Therefore, we will continue to support CAP pillar 1 direct payments to farmers at current levels, and we will continue to make a strong case for increasing the resources available to Wales and the United Kingdom under pillar 2, rural development.

[11] With those remarks, Chair, I would like to close and invite questions.

[12] **Yr Arglwydd Elis-Thomas:** Diolch **Lord Elis-Thomas:** Thank you very much yn fawr am y datganiad agoriadol, Ddirprwy for the opening statement, Deputy Minister. I Weinidog. Galwaf ar Antoinette Sandbach. call on Antoinette Sandbach.

[13] **Antoinette Sandbach:** Deputy Minister, one of the structural weaknesses in the UK market has been identified as a lack of producer co-operatives in milk. Recently a £5 million package was announced for the dairy industry to help set up those producer co-operatives. What steps will you take to ensure that Wales's milk producers get a fair share of that funding?

[14] **Alun Davies:** We have had conversations this week and prior to this week on the establishment of producer organisations in Wales. This, of course, is part of the structural change that might be available through the EU dairy package and through informal means without the need to resort to legislation. The informal conversations that I have had this week indicate to me that there is an appetite for greater collaboration and co-operation in the sector. I would agree that we require far more collaboration between individual farmers to ensure that the voice of the farming community, as it were, is strengthened. This is something on which I have sought to continue conversations, following the show, in the autumn. I certainly would hope that we will be able to establish producer organisations in Wales if that is what the industry wishes. I certainly believe that it is an important way forward.

[15] **Antoinette Sandbach:** In terms of the Groceries Code Adjudicator Bill there have clearly been amendments that allow producers to complain anonymously through their trade organisations. What is your view on a possible role for the groceries code adjudicator in auditing the supply chain to ensure fairness and transparency in the supply chain through powers being added into the Bill?

11.15 a.m.

[16] **Alun Davies:** We would welcome any amendments that strengthen the power of the adjudicator. I think that any of us who have worked in a regulated industry, or a regulated supply chain, will know that the power of an adjudicator or a regulator—however you wish to describe it—is manifold. The power to investigate and to report is significant, because it provides information on how the market operates and on relationships within the marketplace, and we very much welcome that. We also believe that the adjudicator needs a power to levy fines. That is not a part of the legislation at the moment; it is a backstop power available to a Secretary of State. We believe—and certainly my experience tells me, having worked in industries regulated in this way—that that is the way to change behaviour and to ensure that the supply chain operates fairly. An important point that I have tried to make in the media and

elsewhere over the past few days and weeks is that we are not looking for favours; we are looking for fairness. I had a conversation with a retailer earlier this morning when I said that this is not about penalising or attacking retailers. I hope that I have not done that; I have certainly never sought to do that. Retailers are an essential part of the supply chain and they have to be supported in the development of a greater number of Welsh products and more Welsh produce available on their shelves. Therefore, I want to have a positive and constructive relationship with all retailers—all the multiples that operate in Wales—and I want to work with them on improving their supply chains across different sectors.

[17] So, it is not our purpose here—and it should not be the purpose of any Government or any organisation—to simply attack retailers. That would be an entirely negative and pointless exercise. We want to see fairness in the supply chain: fairness for the farming community that produces the raw material; fairness for processors; fairness for retailers; and, at the end of that process, a fair and good deal for consumers. All of us who have been in our constituencies over the last few days will know that there is great support for the farming community at the moment across the whole country. Certainly in Blaenau Gwent, my experience is that people are prepared to pay a fair and realistic price for milk and that people do not want discounted milk if the price of that discount is not a saving of 5p or 10p on a litre but the fact that many dairy businesses go out of business and that the dairy industry goes to the wall. People do not want that, and it is important that a voluntary code of conduct that regulates the placing of contracts occurs within a statutory framework that will enable people to have confidence in the whole process.

[18] **Llyr Huws Gruffydd:** Rwy'n croesawu'n fawr iawn nifer o'r sylwadau rydych wedi'u gwneud y bore yma, yn ogystal â'r datganiadau sydd wedi'u gwneud yr wythnos hon. Un o'r rhwystredigaethau mwyaf yw bod nifer fawr o'r mesurau mae pawb yn cyfeirio atynt yn mynd i gymryd amser i'w gweithredu. Bydd misoedd lawer yn pasio, ac ni fydd y ddeddfwriaeth arfaethedig rydych yn dod â hi i'r Cynulliad yn cael ei chyflwyno tan yr hydref. Mae rhesymau dilys am hynny, ond yn y cyfamser, mae pobl yn parhau i fod mewn sefyllfa o weithio ar golled. Beth all Llywodraeth Cymru ei wneud i gynorthwyo ffermwyr yn y cyfamser, cyn bod yr holl fesurau arfaethedig hyn yn gweld golau dydd, oherwydd mae busnesau fferm yn cau o ddydd i ddydd?

Llyr Huws Gruffydd: I very much welcome many of the statements that you have made this morning, as well as the announcements made this week. One of the greatest frustrations is that many of the measures that people are referring to are going to take a great deal of time to implement. Many months will pass, and the proposed legislation that you are bringing to the Assembly will not be introduced until the autumn. There are valid reasons for that, but, in the meantime, people are still in a position of working at a loss. What can the Welsh Government do to assist farmers in the meantime, before all of these proposed measures see the light of day, because farm businesses are closing on a daily basis?

[19] **Alun Davies:** Anghytunaf fod busnesau fferm yn cau o ddydd i ddydd. Os edrychwch ar yr hyn sy'n digwydd ar hyn o bryd, gwelwch nad dyna sy'n digwydd. Fodd bynnag, cytunaf fod pobl yn mynd i gollu arian a cholli busnes oherwydd beth sydd wedi digwydd, a deallaf sut mae pobl yn teimlo am hynny. Rwy'n cynnal cyfarfod gyda ffermwyr y prynhawn yma ar y maes a byddaf yn gofyn iddynt pa fesurau ychwanegol yr hoffent imi eu cymryd. Fel rydych yn gwybod, rwyf wedi bod yn agored

Alun Davies: I do not agree that farm businesses are closing on a daily basis. If you look at what is happening at the moment, you will see that that is not what is happening. However, I agree with you that people are going to be working at a loss and losing business because of what has occurred, and I fully understand how people feel about that. I am holding a meeting with farmers this afternoon on the showground and I will be asking them what additional measures they would like me to take. As you know, I have

iawn, nid yn unig wrth siarad gydag undebau ond hefyd gyda ffermwyr—fel corff yn ein cyfarfodydd ffurfiol, a hefyd yn anffurfiol wrth siarad â phobl ar stepen y drws ac yn eu ceginau. Felly, rwyf wedi bod yn buddsoddi llawer iawn o fy amser i sicrhau fy mod yn siarad gyda phobl gymaint ag y bo modd ac yn gwrandao ar yr hyn sydd ganddynt i'w ddweud.

[20] Ar hyn o bryd, teimlaf fod y gymuned amaethyddol yn croesawu'r hyn mae'r Llywodraeth wedi bod yn ei ddweud, ynghyd â thôn yr hyn rydym wedi bod yn ei ddweud. Rydym wedi bod yn ceisio siarad mewn termau sy'n dangos yn glir ein bod yn cefnogi'r hyn mae ffermwyr wedi bod yn ei ddweud am degwch yn y system. Rydym eisiau gweld tegwch yn y system a chredwn fod problemau tymor hir y mae'n rhaid inni eu datrys. Gobeithiwn allu rhoi camau ar waith a fydd yn datrys y problemau strwythurol tymor hir. Fodd bynnag, cytunaf gyda chi bod yn rhaid inni weithredu yn y tymor byr hefyd. Rwy'n mawr obeithio y bydd yr hyn rydym yn ei wneud drwy Cyswllt Ffermio o les i ffermwyr unigol. Gwn ei fod wedi cael ei groesawu gan ffermwyr. Rwy'n hapus iawn i dderbyn unrhyw awgrym ychwanegol o ran yr hyn y gallwn ei wneud heddiw ac yfory. Os oes gennych awgrymiadau o ran yr hyn y gallwn ei wneud heddiw, yn ychwanegol at yr hyn rydym yn ei gynnig, byddwn yn hapus iawn i gynnal trafodaeth gyda chi ac eraill.

[21] **Llyr Huws Gruffydd:** Diolch am hynny. A ydych o'r farn bod yr adwaith rydym wedi ei weld ymhlith y diwydiant a'r gymuned ehangach dros yr wythnosau diwethaf, lle mae pobl wedi bod yn barod i ddod ymlaen i brotestio, lobio ac yn y blaen, a chodi llais, wedi newid y cywair o safbwynt ymateb Llywodraethau o fewn y Deyrnas Unedig i'r sefyllfa o ran y sector llaeth? Er bod pethau wedi digwydd yn y cefndir—ychydig bach o hyn ac ychydig bach o'r llall—yn sydyn iawn, oherwydd adwaith allan yn y gymuned, mae'r Llywodraethau i gyd yn dod at ei gilydd yn awr i drafod, mae camau yn cael eu gweithredu ac mae pethau'n cael eu cyhoeddi na fyddai wedi cael eu cyhoeddi oni bai am yr ymateb. Felly, a ydych yn croesawu'r adwaith hwnnw, ond a ydych hefyd yn gresynu bod yn rhaid

been very open, not just in speaking with the unions, but with farmers—as one body in formal meetings, and also informally through talking to people on their doorsteps and in their kitchens. So, I have been investing a great deal of my time in ensuring that I am speaking to people as much as I possibly can and listening to what they have to say.

At present, I feel that the agricultural community is welcoming what the Government has been saying, and also the tone of what we have been saying. We have been trying to speak in terms that clearly demonstrate that we support what the farmers have been saying about fairness in the system. We want to see fairness in the system and we believe that there are long-term problems that we must resolve. We hope to put the steps in place to resolve the long-term structural problems. However, I agree with you that we have to act in the short term as well. I very much hope that what we do through Farming Connect will be of benefit to individual farmers. I know that it has been welcomed by farmers. I am very happy to receive any additional suggestions regarding what we can do today and tomorrow. If you have any suggestions regarding what we can do today, in addition to what we are proposing, I would be very happy to have that discussion with you and others.

Llyr Huws Gruffydd: Thank you for that. Do you think that the reaction that we have seen among the industry and the wider community over the past few weeks, where people have been willing to come forward to protest, lobby and so on, and make their voices heard, has changed the nature of the response of Governments within the United Kingdom to the situation in the dairy sector? Although things have happened in the background—a little bit of this and a little of that—all of a sudden, because of the reaction in the community, all Governments are now coming together to hold discussions, steps are being taken and things are being announced that would not otherwise have been announced had it not been for that response. So, do you welcome the fact that there has been such a reaction, but do you also regret

cyrraedd y pwynt hwn cyn inni weld y newid gŕ yr ydym wedi ei weld yn yr wythnosau diwethaf?

[22] **Alun Davies:** Hoffwn atgoffa Aelodau fy mod i wedi siarad sawl gwaith ers fy mhenodiad am y sector llaeth. Credaf inni gael sgwrs y llynedd am fy uchelgais i gynnig cymorth i'r sector llaeth yng Nghymru. Rwyf wedi cynnal cyfarfodydd gyda'r diwydiant cyn yr argyfwng presennol, oherwydd fy mod yn credu'n gryf bod gan Lywodraeth Cymru rôl ychwanegol i'w chwarae o ran sicrhau dyfodol nid dim ond ffermwyr llaeth ond y gadwyn yn ei chyfanrwydd yng Nghymru. Felly, rwy'n mawr obeithio, Llyr, ein bod ni fel Llywodraeth wedi bod yn rhagweithiol yn y flwyddyn ddiwethaf o ran sut y gallwn gynnig mwy o gefnogaeth i'r diwydiant yn ei gyfanrwydd.

[23] Rwyf wedi pwysleisio'r bore yma ein hymateb i'r argyfwng presennol ond mae hwn hefyd yn ymateb tymor hir. Rwy'n edrych ar yr hyn y gallwn ei wneud. Cawsom drafodaeth yn y Cynulliad am fwyd yn ôl ym mis Mai, a dywedais bryd hynny wrth ymateb i Antoinette fy mod am weld y cod ymddygiad hwn yn cael ei gytuno. Roeddwn am iddo fod yn wirfoddol, ond mewn fframwaith statudol. Dyna lle rydym wedi cyrraedd. Rydym wedi bod yn cynnal trafodaethau dros fisoedd i gytuno hynny. Fodd bynnag, rydych yn iawn; draffiwyd cytundeb ddydd Llun oherwydd y cyd-destun o fod yma ar faes y sioe a'r cyd-destun cyhoeddus. Nid wyf yn credu y byddem wedi cael y math o gytundeb a gafwyd ddydd Llun oni bai am ddigwyddiadau'r wythnosau diwethaf.

[24] **Llyr Huws Gruffydd:** Mae gennyf un cwestiwn arall ar y mater hwn. Un cam ymarferol mae nifer o ffermwyr, yn enwedig ffermwyr llaeth, wedi'i godi gyda mi yr wythnos hon yw'r bwriad i gyflwyno rheoliadau newydd silwair, slyri ac olew tanwydd amaethyddol—SSAFO—ar storio slyri ac yn y blaen. A fyddai oedi gyda chyflwyno'r mesurau arfaethedig, oherwydd y gost, yn un ffordd o gynorthwyo'r diwydiant wrth symud ymlaen?

[25] **Alun Davies:** Cefais y sgwrs hon gyda'r NFU ddoe ac rwyf wedi gofyn iddo

that it was necessary to reach this point before we could see the change of gear that we have seen over recent weeks?

Alun Davies: I would like to remind Members that I have spoken a number of times since my appointment about the dairy sector. I think that we had a conversation last year about my ambition to offer assistance to the dairy sector in Wales. I held meetings with the industry prior to the current crisis, because I firmly believe that the Welsh Government has an additional role to play in securing the future not only of dairy farmers but of the chain as a whole in Wales. So, I greatly hope, Llyr, that we as a Government have been proactive over the past year in terms of looking at how we can offer more support to the industry as a whole.

I have highlighted this morning our response to the current crisis but this is also a long-term response. I am looking at what we can do. We had a discussion about food back in May in the Assembly, and I said then in response to Antoinette that I wanted to see this code of conduct being agreed. I wanted it to remain voluntary, but within a statutory framework. That is the point that we have reached. We have been holding discussions over the past few months to agree that. However, you are right; Monday's agreement was drafted because of the context of being here on the showground and because of the public context. I do not think that we would have had the type of agreement that was agreed on Monday had it not been for the events of the past few weeks.

Llyr Huws Gruffydd: I have one further question on this matter. One practical step that many farmers, particularly dairy farmers, have raised with me this week is the intention to introduce new silage, slurry and agricultural fuel oil regulations—SSAFO—in relation to storing slurry and so on. Would deferring the introduction of these proposed measures, because of the cost, be one way of supporting the industry in future?

Alun Davies: I had this conversation with the NFU yesterday and I have asked it to write to

ysgrifennu ataf ynglŷn â hynny. Nid yw'n rhan o fy mhortffolio i, fel y gwyddoch, ond rwy'n hapus iawn i drafod hynny. Hoffwn hefyd bwysleisio pa mor bell rydym wedi symud dros y chwe mis diwethaf o ran 'Hwyluso'r Drefn'. Nid wyf yn sôn yma am newid un, dwy neu dair rheol; rwy'n son am reoli yn ei gyfanrwydd. Credaf fod hynny'n beth hynod bwerus. Mae croeso i unrhyw Aelod ddod ataf yn ffurfiol neu'n anffurfiol i drafod syniadau. Rwy'n fodlon dod i gyfarfodydd gyda chi yn eich etholaethau os ydych am drafod hynny gyda ffermwyr ac i drafod sut y gallwn wella sut rydym yn rheoli yn ei gyfanrwydd. Nid oes gan Lywodraeth Cymru chwant i gael rheolau diangen nac i wneud y *gold-plating* y mae pobl yn sôn amdano. Nid oes gennym y systemau na'r adnoddau i weithredu'r fath systemau anodd. Nid ydym am wneud hynny. Fodd bynnag, rwy'n awyddus iawn i wrando ar yr hyn sydd gan bobl i'w ddweud. Os oes gan bobl syniadau y gallwn eu gweithredu, rwy'n hapus iawn i'w gweithredu.

me about it. It is not part of my portfolio, as you know, but I am very happy to discuss it. I would also like to emphasise how much progress has been made over the last six months with regard to 'Working Smarter'. I am not talking here about changing one, two or three rules; I am talking about management in its entirety. I think that that is extremely powerful. Any Member is welcome to come to me formally or informally to discuss ideas. I am willing to attend meetings with you in your constituencies if you want to discuss that with farmers and to discuss how we can improve how we manage this in its entirety. The Welsh Government has no appetite for any unnecessary rules or to undertake the gold-plating that people are talking about. We do not have the systems or the resources to implement such difficult systems. We do not want to do that. However, I am very keen to hear what people have to say. If people have ideas that we can implement, I am very happy to implement them.

[26] **Vaughan Gething:** I would like to move on to a slightly different subject, Deputy Minister. The food strategy is one of the areas that you have highlighted since your appointment as something that you want to look at and refresh. I note from your paper that you have already had a food summit, on 12 July, and I note your delight that the Prince of Wales came to open the event. I am interested in the relationship between the food summit that you held and the appointment in October of the food and farming sector panel. I am interested in how those two bodies provide advice to you and in how you will deal with the outcomes and recommendations of the food summit and what the panel is telling you, because I understand that you are due to have advice from the panel in July, and you have already had the food summit. So, how will that lead your decision making? Also, when you have advice from the food and farming sector panel, will it be published and made publicly available?

[27] **Alun Davies:** One reason why I tabled a Government debate on food in May was that I felt that it was an area of policy and an area of my portfolio that had not been well examined by the National Assembly and on which I had not sought to make a number of statements. I therefore felt it important that we had that debate in May.

[28] I was very pleased with the food summit that we held two weeks ago. I was delighted to have the support of His Royal Highness the Prince of Wales. He offers great support to Welsh food and Welsh food producers, which is not something that we often talk about. His Royal Highness has been extraordinarily supportive of the food sector in Wales; I am anxious that we continue to work with him and his office on these matters, and optimistic that we will do so. It is something that I would like to pursue in the future.

[29] On your direct questions, Vaughan, I have received advice from the food and farming panel. I have received four papers from it. I will be considering that advice over the summer months and I will be working with Edwina Hart to consider how we take that advice forward. It is private advice at the moment, but, clearly, it will be published in due course. We will seek to bring together the support on offer from the wider Directorate for Business, Enterprise, Technology and Science and the tailored support that we provide in the food

division of Welsh Government.

[30] If I am absolutely honest, and without being—how shall I put it?—‘too honest’, which is what I am tempted to say, were I to look back over my 14 months in office, I would say that food and food policy is an area in which I do not feel I have made as much progress as I would have liked. I think that that would be a fair analysis of where I am at the moment. I feel that we need to look at how we deliver the food strategy. I am not a believer in strategies existing virtually or gathering dust; we need a strategy that contains a vision and a purpose—a strategy that guides the actions of Ministers and officials. I am not convinced that the food strategy currently does that. I feel that, as Deputy Minister, I need to set a clearer direction for how we deliver some of the support. That is a responsibility that I have. So, I will spend time with officials over the summer months, taking advantage of the recess, to re-order some of the ways in which we provide support for the food sector in Wales, and I hope and expect that we will be able to make greater progress in the second half of this year.

[31] You asked how these different elements are brought together. The food conference, which we held earlier this month, was to bring together all elements of food production. All too often, when we talk about food, we either talk about agriculture or processing or retail. We want to bring those supply chains together and talk about how Welsh Government currently provides support—I have to say that people were extraordinarily positive about the work of the Welsh Government at that food conference; businesses, providers and processors were very positive about how the Welsh Government works. After that, it is about how we can take it forward. I have received a report on the discussions that took place at the workshops from the food conference, and there are a lot of good ideas there. I hope that we will be able to use those ideas to drive policy forward in the autumn.

[32] The relationship between that work and the food and farming panel is that the panel provides specialist advice to us on particular issues. It provides advice to Edwina Hart and to me, and, in the autumn, I will be discussing with Edwina how we take that forward.

11.30 a.m.

[33] **Vaughan Gething:** I want to pick up on one of the points about getting advice from the panel, because a continuing frustration for me since I have been in office is how we do and do not take advantage—and primarily we do not—of the ability of public procurement. I appreciate that this does not all directly involve the Welsh Government, but it has a role in setting a clear template for expectation and direction, particularly with regard to food policy. For example, we know that there is a small element of direct Welsh Government procurement as regards milk, and there is potential across the whole of the food sector. I know that it is mentioned in your paper, so I am interested in knowing, when we get that advice and a response from the Government, to what extent are you looking to take that advice? We know that other European regions and member states appear to get much more, in public procurement terms, to support their food sectors.

[34] **Alun Davies:** All territories within the European Union will provide support to food businesses on the same legal basis. I am anxious that we provide our food sector with all possible advantages to compete in the open market.

[35] You will be aware that Jane Hutt has undertaken a review of public procurement in the last few months. My view is that the principles that underpin the legal frameworks within which public procurement operates should reflect the guiding principles of this Government. I would expect public procurement to help to support and sustain the Welsh food industry in all its different ways. I think that you are absolutely right in what you say about public procurement, Vaughan, but I think that we have to go much further than that, as well. The more thought I give to the place of food in Welsh life, the more I think that we have to look

very hard at food policy, and not simply as a single policy within a single portfolio within a single sector. We have to look at children's learning about food, people's relationship with food, and people's knowledge of the food supply chain.

[36] I was discussing with the First Minister here at the show on Monday the fact that he and I—and we are about the same age, let us say—grew up in a world where the town and country had far more connections than the world does today, and that our children are growing up in a very different way. We are both anxious to ensure that the connections between rural and urban Wales are strengthened and re-strengthened, so that children and young people understand what the food chain is, the importance of a good diet, how we can produce that good diet in Wales and how to cook and prepare food. Bringing all those things together could deliver the sort of change in lifestyles that we need. We all know that far more pre-prepared meals are being eaten in Wales now than ever before.

[37] So, I think that there is a much wider place for food, and it provides an opportunity to project an image of Wales and our national identity. When we met the commissioner on Sunday, we had a meal prepared from a True Taste menu of great Welsh products and produce, including Welsh wine, and even—dare I say it—a drop of Welsh whisky. We enjoyed that, and it set the tone for what we are seeking to achieve. It was not too much whisky, Dafydd. [*Laughter.*]

[38] **Lord Elis-Thomas:** My friend, Bernard, is interested.

[39] **Alun Davies:** Bernard is always interested in such matters. He takes great personal satisfaction, as well, if I may say so.

[40] So, that really set the tone. We have the abstract conversations about CAP policy and the rest of it, but when you have a plate of great Welsh food in front of you, it brings home that this is the purpose of it all, namely to produce this product. I want to put a really strong personal emphasis on that over the coming year.

[41] **Lord Elis-Thomas:** I call William Powell.

[42] **Vaughan Gething:** May I make a final point?

[43] **Lord Elis-Thomas:** It will be lunch soon, and there is all this talk of food. [*Laughter.*] One final point, then, and then William Powell.

[44] **Vaughan Gething:** One of the success stories of Welsh farming is the red meat sector, which has achieved some very welcome results over the last week. You have said before that you want to see the model that is used to market red meat in Wales being rolled out to other food and drink sectors. Where are you on trying to deliver what appears to be a successful model for other food and drink sectors?

[45] **Alun Davies:** We have had some extremely good news this week about exports in the red meat sector. I think that that is the result of a supply chain working well. I spoke at last year's committee meeting here at the show about the work of Hybu Cig Cymru, and I will say again that I spoke at its breakfast on Monday. Hybu Cig Cymru has done a fantastic job of supporting and sustaining that supply chain, and I think that the increase in exports and the success of the red meat sector is down to the work of Hybu Cig Cymru, which should be congratulated on that. You are right, Vaughan, that it is a great success story that could be used.

[46] I am anxious that people do not over-interpret or misinterpret me when I say this. Hybu Cig Cymru is a good levy board that works well. I want to look at all the levy boards

and ask whether they are all delivering value for money for the Welsh levy. I have spoken to, I think, all the levy boards in the last year, and I have had that conversation with them. It has been a happy and an unhappy conversation in different places. I want to understand the totality of resources that we have available to us to support the production of Welsh food. I have asked for, and have received, a paper from Hybu Cig Cymru on the lessons that it believes could be learned from the Hybu Cig Cymru model and what lessons could be transferred to other sectors. I will consider that paper and whether we can introduce lessons from that to support other supply chains. When I spoke to you, Vaughan, and to the committee about that, I had the dairy sector in mind, and I did mention dairy at that time. We need to look at those lessons and if we learn anything from recent weeks, it is that if the whole of the supply chain is broken, no-one benefits. We need to look at how we provide that support for supply chains, and I certainly want to do that.

[47] **William Powell:** I wanted to pick up on something that you mentioned a few moments ago, namely the note that the First Minister struck the other day about the connection between rural and urban Wales. A lot of useful work has been done in the context of the Cambrian mountains initiative, supported by His Royal Highness and others. Is it not possible to roll out across Wales some of the good practice currently seen only in pockets, to harness the educational links and on-farm visits?

[48] **Alun Davies:** I am always terrified when someone says that they would like to pick me up on something that I said some months ago, as it quite often leads to bad news—but not on this occasion, of course. The Cambrian mountains initiative is great and has achieved great things. One reason I was quite anxious for Peter Davies, the Commissioner for Sustainable Futures, to chair my advisory group on the next rural development plan was for us to learn the lessons of bringing together the different elements of ‘rural development’, such as the agriculture industry, with other industrial sectors in rural Wales. We are anxious to stimulate an economic environment in rural Wales in which everyone can prosper.

[49] The statement from the First Minister last week on rolling out broadband, which I know, Bill, you welcomed, will have a huge benefit in stimulating economic activity across the whole of Wales. That will also bring together different industries in rural communities and the communities themselves, to recognise our cultural heritage, whether that be the language or history. For example, much is made of the drovers’ heritage in elements of the Cambrian mountains initiative, which is a great history, as is some of our Christian heritage, which is important. If we can bring together those different elements under the overall umbrella of our ambition to provide sustainability in environmental, social and economic terms, we will achieve a great deal. So, I look at the Cambrian mountains initiative as a great example of what can be achieved.

[50] One reason I mentioned the plan for milk in my opening remarks is the importance of pillar 2 to enable us to do this. Traditionally, the UK has not received a fair deal under pillar 2, and given that we are moving from historic to area-based payments, we are saying, ‘Hang on, now, if we are to move from the historic in pillar 1, let us move from the historic in pillar 2 as well’. Let us have a fair allocation for the United Kingdom and, within that, a fair allocation for Wales, allowing us the resources to look at community, social, economic and environmental programmes in the next RDP to achieve the ambitions that I think we all share across the political spectrum.

[51] **Llyr Huws Gruffydd:** Nodais eich bod yn sôn yn eich papur am y gwaith sy’n mynd rhagddo gyda thagio defaid yn electronig a datblygu systemau yng Nghymru. I ba raddau y mae’r gwahanol randdeiliaid wedi gallu cyfrannu at y gwaith **Llyr Huws Gruffydd:** I noted that you mention in your paper the work that is under way on the electronic tagging of sheep and on developing systems in Wales. To what extent have the various stakeholders been able to contribute to the scoping work for the

cwmpasu a wnaed o ran cronfa ddata arfaethedig EID Cymru?

proposed EID Cymru database?

[52] **Alun Davies:** Rwy'n mynd i ofyn i Gary ateb ar y manylion yn hynny o beth, Llyr.

Alun Davies: I am going to ask Gary to give you a detailed response on that, Llyr.

[53] Fel y mae'r Aelodau'n gwybod, rwyf wedi penderfynu symud ymlaen ag EID Cymru fel cronfa ddata. Credaf imi benderfynu hynny yn ôl ym mis Mawrth. Ar hyn o bryd, rydym yn datblygu'r syniadau y tu hwnt i hynny. Rwyf wedi rhoi ymrwymiad clir y byddwn yn symud ymlaen gyda'r diwydiant, gan drafod ag ef.

As Members will know, I have taken the decision to proceed with EID Cymru as a database. I believe that I took that decision back in March. At present, we are developing the ideas beyond that. I have made a clear commitment that we will move forward on that with the industry and in discussion with it.

[54] **Mr Haggaty:** It is fair to say that there has been a considerable debate for some time now on EID, electronic identification, and it is also fair to say that we have received quite a lot of comments from people throughout the industry on how we ought to take this forward. As the Deputy Minister said, he has given the undertaking that we are to go forward, and officials are now looking at the various options and costing them up, so that, in due course, which ought to be in the next couple of months, we can make recommendations to the Ministers so that they can decide on the way forward.

[55] From my perspective, I have had a number of conversations with representatives of the farming industry and with individual farmers on how this ought to happen, and I would say that, if there is anybody out there who has anything else that they would like to add and share with us, we are more than open to hearing those suggestions.

[56] **Llyr Huws Gruffydd:** Mae hynny yn sicr i'w groesawu. Mae gennyf gwestiwn i'r Dirprwy Weinidog. Mae'n ddi-ddorol nodi mai un o'r awgrymiadau a wnaed gan y rapporteur yn Senedd Ewrop ar reoliadau llorweddol y PAC yw na ddylid cosbi ffermwyr lle bo modd dangos mai problemau technegol sydd wedi arwain at dramgwyddo o safbwynt rheoliadau adnabod anifeiliaid. A dydych yn cytuno â'r awgrym hwnnw?

Llyr Huws Gruffydd: I certainly welcome that. I have a question for the Deputy Minister. It is interesting to note that one of the suggestions made by the European Parliament rapporteur on the horizontal regulations for CAP is that farmers should not be penalised when it can be proven that technical faults have led to non-compliance with regulations on animal identification. Do you agree with that suggestion?

[57] **Alun Davies:** Nid ydym eisiau cosbi neb oherwydd problemau technegol. Rwy'n deall yr hyn y mae'r rapporteur yn ei ddweud, ond, fel Dirprwy Weinidog, mae'n rhaid imi weithredu'r polisi a'r gyfraith fel y maent, Llyr. Yr hyn na allaf ei wneud yw dweud y byddaf yn cau fy llygaid i broblemau sy'n bodoli. Mae gennym ni fel Llywodraeth gyfrifoldeb clir i weithredu'r gyfraith fel y mae. Byddaf yn sicrhau cefnogaeth i ffermwyr wrth ddatblygu'r system ac o ran ei gweithredu. Rwy'n cydymdeimlo â phobl, ac mae Llyr a minnau'n cytuno na fyddem wedi eisiau gweld y system yn cael ei gweithredu fel y

Alun Davies: We do not want to penalise anybody because of technological problems. I understand what the rapporteur is saying, but, as a Deputy Minister, I must implement the policy and law as they stand, Llyr. What I cannot do is say that I will turn a blind eye to the problems that exist. We as a Government have a clear responsibility to implement the law as it stands. I will secure support for farmers in developing the system and in implementing it. I sympathise with people, and Llyr and I agree that we would not have wanted to see the system implemented in its current form, but that argument has been lost and we must accept that fact. It is the law of

mae hi, ond mae'r ddadl honno ar ben, a rhaid derbyn y ffaith. Mae'n gyfraith gwlad, cyfraith Ewrop a chyfraith Cymru. Rhaid i mi fel Dirprwy Weinidog weithredu'r gyfraith.

the land, European law and Welsh law. As a Deputy Minister, I have to implement the law.

[58] **Antoinette Sandbach:** Given that there is this proposal before the European Parliament to change the regulations, meaning that farmers would not be penalised for technical faults, are you and your officials actively pursuing that in Europe so that our farmers can, in effect, benefit from that exemption?

11.45 a.m.

[59] **Alun Davies:** We have said that we want to see an EID system that works, rather than one that does not. We would therefore support such changes, were they to be made. However, there is an important point that should come out of today's meeting. One of the great tragedies of the last three or four years of this debate is that too many farmers have been given false hope and false impressions from discussions led by politicians that EID—it is a terrible thing to say, Chair—would somehow not be implemented, that it would never happen, that there would be fundamental change and that it was probably unlikely to happen for many years. Many farmers were given false hope—I would not say misled—over the introduction of EID. That is clearly the case. That happened from not only politicians, but others as well. As a consequence, it is incumbent upon me as Deputy Minister to be crystal clear that this Government will implement the law as it stands, and that this Government will not turn a blind eye to failures to implement the law. We have to be very clear as a responsible Government that the law is the law and that it must be upheld.

[60] **Keith Davies:** Ddirprwy Weinidog, gwnaethoch ddatganiad yr wythnos diwethaf ar lle rydym ar argymhellion Gareth Williams. Fodd bynnag, nid yw rhai o'r argymhellion yn dod o dan eich cylch gwaith chi, ond o dan gylch gwaith John Griffiths. Pa drafodaethau a gawsoch gyda John Griffiths ar ei gyfrifoldebau ef?

Keith Davies: Deputy Minister, you made a statement last week on where we are with the recommendations of Gareth Williams. However, some of the recommendations do not come under your remit, but rather under the remit of John Griffiths. What discussions have you had with John Griffiths regarding his responsibilities?

[61] **Alun Davies:** Fel Gweinidogion, rydym yn cydweithio'n agos iawn. Rydym wedi cael ein cwestiynu gan bobl ar faes y sioe yr wythnos hon a thrwy gydol y flwyddyn ynghylch pa mor agos rydym yn cydweithio. Mae 12 ohonom fel aelodau o Gabinet Lywodraeth Cymru ac rydym i gyd yn adnabod ein gilydd; rwyf wedi adnabod John ac wedi gwasanaethu yn y Cynulliad gydag ef ers pum mlynedd, ac mae gennym swyddfeydd gyferbyn â'n gilydd. Felly, rydym yn cydweithio'n agos iawn ar 'Hwyluso'r Drefn' ac ar faterion fel lles anifeiliaid, er enghraifft. Rwyf yn hyderus iawn ein bod mewn sefyllfa i allu gweithredu'r argymhellion fel ag y maent, pe baent yn rhan o fy mhorthffolio personol i, neu pe baent yn rhan o bortffolio rhywun arall. I ffermwyr Cymru, ni ddylai fod ots pa Weinidog sy'n gyfrifol am weithredu'r

Alun Davies: As Ministers, we work very closely. We have been questioned by people in the showground and throughout the year on how closely we work together. There are 12 of us as members of the Welsh Government's Cabinet, and we all know each other; I have known John and have served in the Assembly with him for five years, and we have offices opposite each other. So, we work very closely on 'Working Smarter' and matters such as animal welfare, for example. I am very confident that we are in a position to implement the recommendations as they stand, if they were part of my portfolio, or someone else's portfolio. It should not make a difference to Welsh farmers who is responsible for implementing the recommendations. The important thing to farmers is that they see change and that this process continues in the future.

argymhellion. Y peth pwysig i ffermwyr yw eu bod yn gweld newid a bod y broses hon yn parhau i'r dyfodol.

[62] Gary, would you like to explain to Keith how officials from different departments work together?

[63] **Mr Haggaty:** It is important to recognise that we have worked very closely with Gareth Williams from day one in this process. We have had meetings with officials from other departments in John Griffiths' portfolio. Also, much more widely than that, we have had a number of meetings, and we continue to have meetings, with bodies such as the Environment Agency, the Countryside Council for Wales and so on, all of which have an important role to play in delivering many of these objectives.

[64] **Keith Davies:** I ddilyn o hynny, a yw'r ffaith bod yr un corff amgylcheddol newydd sydd heb ei sefydlu eto yn meddwl bod rhai o'r argymhellion yn gorfod aros i gael eu gweithredu nes bod y corff yn cael ei sefydlu? **Keith Davies:** Following on from that, does the fact that the single environment body has not yet been established mean that some of the recommendations will have to wait to be implemented until the body is established?

[65] **Mr Haggaty:** No. Obviously, we have had conversations with the individual organisations. We have also had a number of conversations with the officials who are putting the new arrangements in place. They have signed up to the principles of 'Working Smarter', and we are confident that we can go ahead and deliver in the way that we would have done had there not been the new body.

[66] **Keith Davies:** A ydych wedi gofyn i Gareth Williams wneud adolygiad annibynnol o'r hyn sydd wedi digwydd hyd yn hyn? Pryd fyddwch yn cyhoeddi ei adroddiad ef? **Keith Davies:** Have you asked Gareth Williams to undertake an independent review of progress so far? When will you publish his report?

[67] **Alun Davies:** Yr adroddiad ychwanegol? **Alun Davies:** The additional report?

[68] **Keith Davies:** Ie, yr adolygiad. **Keith Davies:** Yes, the review.

[69] **Alun Davies:** Nid wyf yn gwybod ar hyn o bryd. Rydym wedi gofyn am adolygiad ar ôl blwyddyn, felly byddwn yn disgwyl—caiff Gary fy nghywiro os yw wedi trafod rhywbeth gwahanol gyda Gareth—cyhoeddi rhywbeth ddiweddd mis Ionawr neu efallai ddechrau Chwefror y flwyddyn nesaf. Dyna'r math o amserlen sydd gennyf. Y pwynt ehangach, Keith, yw ei bod yn bwysig bod gan ffermwyr ymddiriedaeth a hyder yn y Llywodraeth ei bod yn gweithredu mor gyflym â phosibl i weithredu'r cynllun hwn. Ambell waith, fel Dirprwy Weinidog, rhaid i mi gymryd cyfrifoldeb personol am rywbeth a dweud, 'Gwnaf hyn', a dyna beth wnes i gyda Glastir, fel y gwyddoch. **Alun Davies:** I do not know at the moment. We have asked for a review after a year, so I would expect—Gary can correct me if he has discussed something different with Gareth—to publish something at the end of January or perhaps the beginning of February next year. That is the kind of timetable that I have in mind. The wider point, Keith, is that it is important that farmers have trust and confidence in the Government that it is acting as quickly as possible to implement this scheme. Sometimes, as a Deputy Minister, I have to take personal responsibility for something and say, 'I will do this', and that is what I did with Glastir, as you know.

[70] Gyda ‘Hwyluso’r Drefn’, roeddwn yn awyddus i gael rhywun y tu allan i Lywodraeth—person annibynnol—yn edrych ar sut yr wyf yn gweithio, beth wyf yn ei wneud a sicrhau bod gan y ffermwyr a’r gymuned amaethyddol hyder yn yr hyn yr oeddem yn ei wneud ac ein bod yn delifro ar ein haddewidion. Felly, gobeithio y bydd gan bobl hyder yn y system oherwydd hynny.

With ‘Working Smarter’, I was keen to have someone outwith Government—an independent person—looking at how I work, what I do and ensuring that the farmers and the agricultural community have confidence in what we were doing and that we are delivering on our promises. So, I hope that people will have confidence in the system as a result of that.

[71] **Keith Davies:** Rwyf yn meddwl fod pawb yn falch o weld adroddiad Gareth Williams, ac rwy’n falch eich bod yn awr yn gweithredu’r argymhellion.

Keith Davies: I think that everyone was pleased to see the Gareth Williams report and I am pleased that you are now implementing the recommendations.

[72] **Julie James:** It will not come as a surprise to you that I want to ask you about fish. There have been several positive announcements over the last few months, but I will take you back as far as March, when you announced that you were going to undertake a review and renewal of the existing fisheries strategy. Could you update us on where you are with that?

[73] **Alun Davies:** The Welsh Government’s fisheries strategy was published in 2008. It is a good strategy that has taken us forward considerably. Since then, of course, the Marine and Coastal Access Act 2009 has been passed, which has changed fundamentally our legal responsibilities as a Government; it has also changed the structures within which fisheries are managed. I am therefore anxious to strengthen the fisheries department in Government and to ensure that we have sufficient resources to deliver a strategy that reflects our priorities today.

[74] You will be aware of the agreement reached in Luxembourg in June. I think that the committee will welcome many aspects of that. The key aspect for us, which is a particularly Welsh issue, might be the regionalisation agenda. There are a number of different steps to take and one of them is conditional, so I do not want to mislead people and say that this will happen next week; it probably will not happen next year. However, that will potentially allow us to start to move towards an effective management structure in the Irish sea. I am anxious to pursue that. I want to ensure that our fishing industry has the opportunity to grow sustainably within the new policy.

[75] We have strengthened the fisheries department over the last few months with some significant new appointments, which I hope will strengthen our ability to make policy and to take forward a strategy. I will make an announcement, I hope in the autumn, on how we take this process forward. You will be aware that I made two or three written statements on fisheries last week, taking forward commitments that I have made to you as a committee. I will now legislate on grandfather rights and on protecting the Welsh inshore zone. If the committee wishes to take evidence on that legislation, I would be more than happy to give evidence on its impact.

[76] We are also moving forward on legislation on scallops and other issues. A significant body of legislation is coming forward on that. Since I last appeared in front of the committee, we have also reached an agreement on the UK fisheries concordat. I felt happy to sign that on 2 May this year. It was signed alongside the UK Fisheries Minister and Scottish and Northern Irish colleagues. That will lead to the biggest and most significant piece of devolution to Wales since last year’s referendum.

[77] In October 2012, we will take responsibility for the management and registration of Welsh vessels that sail from Welsh ports as a significant new responsibility and, in January 2013, we will take responsibility for quota management in Wales. There are a number of

different areas there where we are achieving our policy objectives and I hope where we create a new context. So, in terms of the strategic direction of Government and of Government policy, we will need to refresh and review that. However, I would emphasise, Julie, that I see that very much as a positive process. Having achieved a lot of our policy objectives, we are considering how we now take the industry forward and help it to grow in a sustainable way in the future.

[78] **Julie James:** I very much welcome that, Deputy Minister. I think that my colleague David Rees will ask you about quota management in a minute. However, in terms of the RACs and the decentralisation of the fisheries management process, have you had discussions yet with the Irish government, for example, about how that sub-committee of the RAC, or some other decentralised management process, might actually work?

[79] **Alun Davies:** No; we reached agreement on this matter in June, and I will be visiting Dublin in September to continue those conversations.

[80] **Lord Elis-Thomas:** RACs are regional advisory committees. I am just saving us from acronyms.

[81] **Julie James:** I am sorry, Chair; I should have said that.

[82] **Alun Davies:** Do not worry.

[83] **Lord Elis-Thomas:** It is all right. You know my—

[84] **Alun Davies:** We fall all too easily into the trap.

[85] **Julie James:** We do all fall too easily into jargon. It took me ages to find out what the RAC was, so I apologise.

[86] **Lord Elis-Thomas:** Now that you know, you want to tell us all. [*Laughter.*]

[87] **Julie James:** Indeed. On that subject, a number of fisheries organisations, particularly those representing the small fisheries, have made powerful representations to us that they have difficulty in attending those meetings, and consequently they are under-represented there. Have you had any thoughts about how we might help them with that? Clearly, they lose a day's pay if they cannot go out on their fishing boat and other such problems.

[88] **Alun Davies:** I will ask Gary to come in on some of that question. I would simply say that we are looking at how we can strengthen the voice of Welsh fisheries. I think that the relationship that we as a Government have with the industry is a strong relationship. It is a good relationship. I meet the Welsh fishing associations on a quarterly basis, in the same way as I have regular meetings with the farming unions, for example. So, we meet on a regular basis. We discuss issues of interest. We last met two weeks ago, I think, and that was not an issue that was raised with me. However, certainly, Julie, that would be my intention. Perhaps, as a Deputy Minister, I should proactively take some time to talk to the fishing industry in situ, if you like, in some of our fishing ports. Perhaps I should try to do that in the autumn. However, I would certainly be very concerned if any element of the fishing industry felt unable to access discussions with the Government. That would be a significant failure on our part, so I would take any actions necessary to make sure that people felt able to join us in conversations and in discussions on the future policy.

[89] **Julie James:** To clarify, Minister, it was not put to me that they were having a problem discussing matters with the Welsh Government. The issue was about attending

meetings of the RAC, in particular, and other spin-off meetings from the RAC, and the fact that a large number of their smaller fisheries were financially very inconvenienced by that and some of them rather more than inconvenienced. I just want to emphasise that it was not the Government, but the RAC itself, about which they were making those points.

[90] **Alun Davies:** That is fair. Thank you for that, Julie. The fishing industry does not have the structures that farming has in terms of representation and funding of representation, if you like. So, how we ensure that fisheries have independent representation is a significant issue. We did discuss elements of this in our last meeting, and it is something that officials are discussing with the industry at the moment. I hope that officials will come to me with some recommendations before too long. Is that fair, Gary?

[91] **Mr Haggaty:** Yes.

[92] **David Rees:** To take on the matter about the quotas and fleet management, and before I start with the questions, could you just confirm that you have sufficient resources to take these on board, starting from October and January next year, within your department?

[93] **Alun Davies:** Yes, I do believe that we have sufficient resources.

[94] **David Rees:** You have come to us before and explained that the historic position of quotas is difficult for Wales. We have never known exactly what our figures have been in the catches, but what discussions have you had with the UK Government to ensure that the methodology put in place will benefit Wales and ensure that we get the appropriate quotas for Welsh fleets?

[95] **Alun Davies:** I have briefed the UK Government on what we are doing. This is a Welsh responsibility, so I have not discussed with the UK Government in any detail how we do it. That is my responsibility to deliver in Wales. However, I have certainly talked to Richard Benyon about what we are doing. I see Richard Benyon on a fairly regular basis, usually in an equally hot and airless room in Brussels, and usually very late at night as well. We certainly have a good relationship and we speak fairly regularly on a number of different policy issues. I think that Richard has done an extremely good job in terms of the work that he led both in December, during the quota negotiations in Brussels, and then on the more recent agreement on the reform of the common fisheries policy in Luxembourg in June. I felt that Richard Benyon did an excellent job of leading the UK delegation on that.

12.00 p.m.

[96] So, in terms of where we are on the delivery of the data that you referred to, we have a weakness in Wales that has created a difficulty for us in negotiations in that the register of buyers and sellers, which operates to provide information about the dimensions and size of the industry—if you like, the size of a catch—probably does not work as well in Wales as it does elsewhere, for all sorts of different reasons. I have, therefore, introduced new methods and means of data capture on landings. I am happy to share that information and the means by which we collect it with the committee and I will ask Gary whether he can circulate that information to committee members over the coming weeks.

[97] It means that we ask Welsh fishing vessels—and we are talking about the inshore fleet, which largely consists of the under-10m fleet—to provide us with far more detailed information than other administrations would ask for from that element of the fleet so that we can understand what exactly is being caught in Welsh waters or by Welsh vessels in order to have a greater and more detailed understanding of our quota needs. This is the first year in which we will be collecting this more detailed information. I am happy to share with committee members the results of that and details of how successful this has been. Christmas

or early winter might be a good time to do that. I hope that the process now of enriching, if you like, the quality of our data will mean that we will be in a better negotiating position when it comes to the quota negotiations in December. I have invited the other UK administrations to Wales in November in order to discuss and agree an overall UK negotiating position for the quota negotiations in Brussels in December.

[98] **David Rees:** May I confirm, Chair, that the discussions for this bit of the UK quota are taking place later this year?

[99] **Alun Davies:** The UK administrations will meet in November. The purpose of the meeting will be to review the science available to us. One of the really important aspects of the agreement reached in Luxembourg last month, which was not reported anywhere in the media, was the fact that future discussions about the quota will be based on the available science. That means that we are looking at the maximum sustainable catch in different fisheries and what we can take from fisheries in terms of the overall biomass without destroying and undermining the sustainability of those fisheries. That is an absolutely fundamental point of principle, which will be delivered over the coming years.

[100] We in Wales simply do not have enough science or enough data to understand the impact of our fleet on the sustainability of different fisheries within Welsh waters. So, we need to go much further to understand that at the moment. I hope that the legislation that I will be pursuing over the next few months in terms of grandfather rights will ensure that we have a very sustainable inshore fishery in Wales, that the 0-to-six-mile zone will be protected and that we will be able to enable the fishing industry to grow, but to grow in a sustainable way in future.

[101] **Yr Arglwydd Elis-Thomas:** Rwyf am ofyn i William Powell ofyn ychydig o gwestiynau ar y polisi amaethyddol cyffredin, ac yna awn ymlaen yn syth i graffu ar Glastir, neu byddwn yn rhedeg allan o amser neu'n hwyr i ginio.

Lord Elis Thomas: I would like to ask William Powell to ask a few questions about the common agricultural policy, and we will then move on directly to scrutinise Glastir, otherwise we will run out of time or will be late for lunch.

[102] **William Powell:** Deputy Minister, thank you for your update to the committee following the Welsh Government's statement on pillar 1 payments back in May. I have a couple of questions to drill down on that. How confident are you of support from other EU member states in terms of allowing members of agri-environment schemes in Wales to be automatically in receipt of payments?

[103] **Alun Davies:** In terms of the changes that have taken place over the last few weeks and months, one of the conversations that I have really enjoyed over the last few days with Commissioner Ciolos was that about how we take forward the issue of greening, for example. The concept paper that the Commission published in May changed the terms and the tone of the debate that was taking place in councils up until that point. It is a concept paper that very much underpins a Welsh Government position. It is one that I very much welcome. I think that it means that the Commission has moved a great deal in terms of its position since last October when these original proposals were made. I think that it provides us with a great deal of flexibility. The principle of equivalence between a Glastir-type project and the requirements under greening in pillar 1 is an important principle for us. I very much welcome that. I think that we are where we want to be; we are in a good place, and we are on the same page as the Commission on all of this. My feeling, certainly from conversations with the commissioner over the last few days, is that we are in a position to benefit from that.

[104] In respect of the question that you ask, Bill, about other member states, the item on greening was taken by the council in May. It was taken after lunch, in the afternoon. Out of

27 different member states, I would guess that at least 20 of them welcomed the concept paper and the position that the Commission was taking and moving towards. Certainly, the commissioner, when he was summing up that discussion in Brussels, felt sufficiently confident to say, 'I think that we now have an agreement on greening; let us move forward on this basis. Perhaps we could achieve something before the end of the Danish presidency'. That was never going to happen, frankly, but it showed a level of confidence within the Commission, I think, that we have cracked it. We have broad agreement across the council on this. He wants to see the UK being a part of that qualified majority, and I hope that the UK will be a part of that qualified majority when it comes to final decisions on the CAP. Certainly, greening has opened and unlocked the door on that.

[105] **William Powell:** In the past couple of days, in particular, I have had some concerns brought to me by areas of the meat industry about the sustainability of the organic sector within Wales, particularly with the forthcoming demise of the organic farming support mechanism. Do you think that the Welsh Government could do more to communicate the messages coming up the track about the status of organic farming within the context of CAP reform to actually create a degree more of confidence than is perhaps there at the moment, when people are looking to the next few years and potentially leaner times, which might have difficult consequences for the wider organic sector in Wales?

[106] **Alun Davies:** The organic sector is the only sector that receives domestic support from the Government, of course. I have not had those concerns brought to me, I must say. When I have spoken to organic producers I think that they have always been very positive about the support received from Government. Clearly, the new rural development regulations are still being agreed, and, when they are agreed, I would expect us to be able to continue that support, albeit potentially in a different form. In general, there is always uncertainty when change is around the corner, if you like. We are coming to an end now of a CAP period. There will be reform and, at some point in time—referring to our earlier conversation about times and dates—there will be a new CAP and a new RDP. I accept that there is some uncertainty around that. I understand that, within the community as a whole, there is some uncertainty about what that new regime will look like. I am not in a position to give certainty here and to give the level of certainty that some people want and require. I would be misleading people were I to try to do so.

[107] My view is that I hope that the Welsh Government is operating in a transparent and inclusive way whereby people are able to talk to either me or my officials, and to talk to the advisory groups that we have established. We have a rural development advisory group, as has already been discussed here, and, if people have concerns about the ability of the Government to continue to deliver targeted support into any sectors, I would be more than happy for them to have that conversation with the advisory group and with officials. Gary wishes to come in on this. I anticipate that officials will be providing further advice on support to the organic sector or other sectors in the next period.

[108] **Mr Haggaty:** Yes, that is the case. We are waiting, essentially, for the new rural development regulations to come through so that we can form recommendations to go to the Minister.

12.10 p.m.

**Ymchwiliad i Glastir—Tystiolaeth gan y Dirprwy Weinidog Amaethyddiaeth,
Bwyd, Pysgodfeydd a Rhaglenni Ewropeaidd**
**Inquiry into Glastir—Evidence from the Deputy Minister for Agriculture, Food,
Fisheries and European Programmes**

[109] **Yr Arglwydd Elis-Thomas:** Awn ymlaen i'n heitem nesaf, sef yr ymchwiliad i Glastir. Mae gan Llyr y cwestiwn cyntaf. **Lord Elis-Thomas:** We will move on to our next item, namely the inquiry into Glastir. Llyr has the first question.

[110] **Alun Davies:** Os ydym yn symud i Glastir, mae'n debyg y dylwn wneud paned o de i fi fy hun. [*Chwerthin.*] **Alun Davies:** If we are moving to Glastir, I should probably make myself a cup of tea. [*Laughter.*]

[111] **Llyr Huws Gruffydd:** Rydych yn cydnabod fod gwendidau o safbwynt cyfathrebu wedi bod ar lefel strategol ac ar lefel weithredol. Yn eich ymateb i'r *stocktake* ar Glastir, rydych wedi dweud fod angen datblygu strategaeth gyfathrebu newydd. A allwch roi syniad i ni o bryd y bydd y strategaeth gyfathrebu newydd honno yn ei lle? **Llyr Huws Gruffydd:** You acknowledge that there have been deficiencies in terms of communication at a strategic level and at an operational level. In your response to the stocktake on Glastir, you have said that a new communications strategy needs to be developed. Can you give us some idea of when that new communications strategy will be in place?

[112] **Alun Davies:** Credaf ein bod yn penodi swyddog cyfathrebu ar hyn o bryd. **Alun Davies:** We are appointing a communications officer at present, I believe.

[113] **Mr Haggaty:** Do you want me to expand on that?

[114] **Alun Davies:** Yes, please.

[115] **Mr Haggaty:** We are in the process of appointing a full-time person to look after communications on Glastir, recognising that there has been considerable change over the last few years. Farmers have engaged with the process, have perhaps moved away and have then come back in. We are clear that we need to get some clear messages out there now that we have a stable scheme. As soon as that person is in place, and that process has started, we will develop that strategic communications plan, which we will then roll out.

[116] **Llyr Huws Gruffydd:** Yng nghwrs ymchwiliad y pwyllgor hwn ar ddelifro Glastir, un o'r cwynion pennaf yr ydym wedi'i dderbyn yw'r dryswch a achoswyd a'r diffyg cyfathrebu ar newidiadau sydd wedi digwydd yn sgîl adolygiad Rees Roberts. Rwy'n tybio felly eich bod yn gweld hynny'n un o flaenoriaethau'r swydd newydd hon a'ch bod am weld strategaeth newydd sydd yn mynd i'r afael â'r elfennau hynny yn enwedig. **Llyr Huws Gruffydd:** During the course of the committee's inquiry on the delivery of Glastir, one of the main complaints that we have received is the confusion that has been caused and the lack of communication on changes that have occurred following the Rees Roberts review. Therefore, I assume that you see that as one of the priorities for this new position and that you want to see a new strategy that particularly addresses those elements.

[117] **Alun Davies:** Credaf fy mod wedi bod yn eithaf clir pan wnes i fy natganiad llafar ar Glastir bythefnos yn ôl. A oeddech yn bresennol bryd hynny? **Alun Davies:** I think that I was quite clear when I made my oral statement on Glastir a fortnight ago. Were you present at that time?

[118] **Llyr Huws Gruffydd:** Nac oeddwn, roeddwn ar gyfnod tadolaeth.

Llyr Huws Gruffydd: No, I was on paternity leave.

[119] **Alun Davies:** Roeddech yn dathlu genedigaeth eich plentyn, ac y mae'r Llywodraeth yn eich llongyfarch chi a'ch gwraig ar hynny wrth gwrs.

Alun Davies: You were celebrating the birth of your child, and the Government congratulates you and your wife on that, of course.

[120] Rwy'n credu fy mod wedi bod yn eithaf clir pan gyhoeddais fy natganiad llafar—a gwn fod llefarydd Plaid Cymru wedi bod yn rhan o'r drafodaeth hon—am fy meirniadaeth i o sut y mae Glastir wedi cael ei gyflwyno. Nid wyf am ailadrodd hynny, ond mae hynny ar gofnod—rwy'n dal i gredu hynny, Llyr. Rwy'n awyddus yn awr i symud ymlaen gyda Glastir. Cytunaf gyda chi pan soniwch am ddryswch. Credaf fod pobl wedi'u drysu gan newidiadau i'r cynllun a thrafodaethau am newidiadau i'r cynllun. Mae hynny wedi bod yn gwbl annheg i ffermwyr a'r gymuned amaethyddol yng Nghymru. Felly, rwy'n awyddus i symud ymlaen.

I think that I was quite clear when I made my oral statement—and I know that the Plaid Cymru spokesperson has been part of this discussion—about my criticism of how Glastir has been introduced. I do not want to repeat that, but that is on record—I still believe that, Llyr. I am now keen to move forward with Glastir. I agree with you when you talk about confusion. I believe that people were confused by changes to the scheme and discussions about changes to the scheme. That has been totally unfair to the farmers and the agricultural community in Wales. So, I am eager to move forward.

[121] Y neges glir roeddwn am i bobl glywed yn fy natganiad llafar bythefnos yn ôl oedd bod y Llywodraeth a minnau wedi ystyried yr holl opsiynau ar Glastir. Gwnes i fy mhenderfyniadau i arno ac maent yn derfynol, felly dyna fe: mae'r drafodaeth drosodd. Mae gennym Glastir ac rwyf yn symud ymlaen i'w weithredu. Rwy'n fodlon trafod gydag unrhyw un ar unrhyw adeg sut yr ydym yn ei weithredu, ond nid wyf bellach yn fodlon trafod Glastir ei hun—mae'n bodoli a bydd yn aros fel y mae yn awr. Bydd rhaid gwneud rhywfaint o newidiadau pan fydd gennym y polisi amaethyddol cyffredin newydd gan y bydd rhaid i ni sicrhau'r sefyllfa gyfreithiol ac ni wyddom beth fydd y sefyllfa honno ar hyn o bryd. Fodd bynnag, nid wyf am i neb brofi'r dryswch hwnnw yn y dyfodol.

The clear message that I wanted people to hear in my oral statement a fortnight ago was that the Government and I have considered all the options on Glastir. I have made my decisions on it and they are final, so that is it: the discussion is over. We have Glastir and I am moving forward with implementing it. I am willing to discuss with anyone at any time how we are implementing it, but I am no longer prepared to discuss Glastir itself—it exists and will remain as it is now. We will have to make some changes when we have the new common agricultural policy because we will have to secure the legal position and we do not know what that position currently will be at present. However, I do not want anyone to experience that confusion in future.

[122] Mae Gary wedi bod yn glir am y ffaith ein bod yn penodi swyddog i edrych ar sut yr ydym yn cyfathrebu. Ni fydd y swyddog hwnnw'n ysgrifennu dogfennau yn unig; bydd yn edrych ar sut yr ydym yn cyfathrebu gyda ffermwyr a'r gymuned amaethyddol ac rwy'n awyddus i hynny gynnwys pob math o gyfathrebu, o'r we i'r cyfryngau cymdeithasol i gyfathrebu ysgrifenedig a llafar. Felly, rwyf yn awyddus

Gary has been clear about the fact that we are appointing an officer to look at how we communicate. That officer will not just write documents; he will look at how we communicate with farmers and the agricultural community and I am eager for that to include all forms of communication, from the internet to social media to written and oral communication. So, I am keen that we move forward so that people know where

ein bod yn symud ymlaen fel bod pobl yn gwybod lle maent yn sefyll gyda Glastir. they stand with Glastir.

[123] **Llyr Huws Gruffydd:** Diolch. Felly, rwy'n cymryd mai 'ie' yw'r ateb. **Llyr Huws Gruffydd:** Thank you. So, I take it that the answer is 'yes'.

[124] **Alun Davies:** Ie. **Alun Davies:** Yes.

[125] **Llyr Huws Gruffydd:** Yn ystod eich datganiad bythefnos yn ôl y cyfeirioch ato, gwnaethoch hefyd ddweud eich bod am symud ymlaen yn fuan at sefyllfa o gael un rhaglen Glastir â chytundeb sengl. A allwch roi syniad i ni o'r amserlen sydd gennych mewn golwg i gyrraedd y pwynt hwnnw? **Llyr Huws Gruffydd:** In your statement a fortnight ago that you referred to, you also said that you wanted to move on swiftly to a position in which we have a single Glastir scheme with a single contract. Can you give us an indication of the time frame that you have in mind for that?

12.15 p.m.

[126] **Alun Davies:** Rwyf am gael un cytundeb Glastir i bawb, ond, yn amlwg, mae gan ffermwyr gytundebau ar hyn o bryd. Rwyf yn mynd i gynnig cyfle i ffermwyr newid y contract os ydynt am wneud hynny—nid wyf yn mynd i orfodi neb i wneud hynny, a liciwn bwysleisio bod llawer o ffermwyr â chytundeb Glastir sydd yn hapus iawn â'r cytundeb sydd ganddynt. Os ydynt yn hapus â'u cytundeb, rwy'n hapus iddynt ei gadw—nid wyf eisiau gorfodi neb i newid y cytundeb sydd ganddo. Fodd bynnag, liciwn weld mudo i un cytundeb yn y dyfodol. Dyna'r lle yr ydym eisiau bod, Llyr, ond nid ydym yn mynd i fynd yn ôl at bobl sy'n aelodau o Glastir a chanddynt gytundebau Glastir ar hyn o bryd a mynnu eu bod yn newid y cytundeb. **Alun Davies:** I want a single Glastir contract for everybody, but, clearly, farmers have contracts at present. I will give farmers an opportunity to change the contract if they so wish—I will not compel anybody to do that, and I would like to stress that there are many farmers with a Glastir contract who are very happy with the contract that they have. If they are happy with their contract, I am happy for them to retain it—I do not wish to force anybody to change their contract. However, I would like to see migration to a single contract in future. That is where we want to be, Llyr, but we are not going to go back to current members of Glastir who have Glastir contracts at present and insist that they change the contract.

[127] **Llyr Huws Gruffydd:** Mae pwynt pwysig wrth ddatblygu, achos, wedi i bobl arwyddo, mae'r broses gyfathrebu'n parhau ac mae'r un mor bwysig fel eu bod yn ymwybodol o hyd o'r modd y mae eu rôl yn cyfrannu at nod ac amcanion Glastir, ac i sicrhau nad ydynt yn tramgwyddo'r rheolau ac yn y blaen. **Llyr Huws Gruffydd:** There is an important point in relation to development, because, once people have signed, the communications process continues and is just as important so that they can remain aware of their role in contributing to the aims and objectives of Glastir, and to ensure that they do not contravene any regulations and so on.

[128] Gyda Tir Gofal, roedd trefniant cynnal a chadw lle yr oedd cefnogaeth ar gael. O wybod eich bod wedi cyfeirio yn rhai o'ch papurau at ddiffyg adnoddau, a ydych yn tybio efallai y bydd rhan o'r elfen gyfathrebu honno yn parhau â'r berthynas agos honno wedi i bobl arwyddo ac wrth i'r rhaglen ddatblygu? **Llyr Huws Gruffydd:** With Tir Gofal, there was a care and maintenance arrangement whereby support was provided. Bearing in mind that you have referred in some of your papers to a shortage of resources, do you perhaps anticipate that part of that communication element will continue in that close relationship once people have signed and as the programme develops?

[129] **Alun Davies:** Rwy'n mynd i ofyn i Gary ddod yn ôl atoch ar rai o'r manylion.

Alun Davies: I will ask Gary to come back to you on some of the details.

[130] Yr haf diwethaf, treuliais gryn dipyn o amser gyda swyddogion a ffermwyr, yn eistedd mewn ar y cyngorfeydd a gawsom. Credaf fod y profiad hwnnw a'r cyfle i drafod busnes y fferm â swyddogion Llywodraeth Cymru wedi cael ei werthfawrogi ar draws Gymru. Rwy'n awyddus i bobl deimlo'r un mor agos a'u bod yn gallu ffonio'r swyddfa ranbarthol ac yn gallu cael y berthynas honno â'r Llywodraeth. Nid oes gennym yr adnoddau i sicrhau swyddog prosiect i bawb yn y Glastir sylfaenol, ac rwy'n credu bod pobl yn deall hynny. Gofynnaf i Gary amlinellu sut y gallwn symud ymlaen gyda hynny.

Last summer, I spent a great deal of time with officials and farmers, sitting in on the surgeries that we held. I believe that that experience and opportunity to discuss farm business with Welsh Government officials was appreciated throughout Wales. I am keen for people to feel just as close and that they can phone the regional office and have that relationship with the Government. We do not have the resources to ensure a project officer for everyone in the basic version of Glastir, and I believe that people understand that. I will ask Gary to outline how we can move forward with that.

[131] **Mr Haggaty:** That is a very important point. Our communications efforts will be directed at those farmers who perhaps have had no engagement with Glastir so far, some of whom have had a look and have decided that it was not for them at this particular point. However, equally importantly, for those farmers who have already come into the scheme, we need to keep in touch with them and ensure that they understand the contracts that they have entered into. It is important that we join up the various resources that we have to be able to deliver that. There is the farm liaison service, there is Farming Connect, and there are also the staff who sit in our divisional front offices, and they all need to work together closely to ensure that we get those important messages out to farmers.

[132] **William Powell:** I welcome what the Deputy Minister has said about the training that will be available to staff in relation to communication. A small contributory factor to the disappointing take-up of Glastir was, on occasion, the rather hectoring and officious language in some of the letters that farmers received. A number of people complained about that to me, and we received such correspondence ourselves. I do not want to underestimate the stress that divisional offices work under—I am not talking about those who have been going through a kind of Estyn inspection from the Deputy Minister, because I am sure that he would not have that effect on dialogue. However, it is really important, when dealing with people who remain to be convinced, that we adopt a tone that is clear but nevertheless hits the right note. That has not always been the case. If we can have a commitment to a more even spread of good practice in the way that offices communicate with farmers and farming businesses, that would be welcome.

[133] Moving briefly to the issue of the project officer role, and to develop what Llyr has already spoken about, a number of the stakeholders fed back that, with regard to the all-Wales Glastir element, the absence of dedicated project officers in such areas as the development of ponds, veteran trees and other such concerns would be very difficult. What specific response would the Deputy Minister make to the concerns that were raised by the Country Land and Business Association, the Countryside Council for Wales, and other stakeholders in that respect, because it is a very important strand of the work of Glastir in future?

[134] **Alun Davies:** First, I would like to apologise if you have received any correspondence from the Welsh Government in any form that you have regarded as being either hectoring or insulting, or in any way potentially officious. That is not how the Welsh Government should communicate with anybody, whether it is you, Bill, or anyone else. The

Welsh Government should always communicate in a very clear and effective way and should always deal with people with respect. I would not want anyone to leave an engagement with the Welsh Government—whether a formal one-to-one meeting, a letter, or viewing a website—feeling that the Welsh Government has treated them in that way. So, I apologise to you if that is your experience. I invite all Members, if they have any evidence of other such experiences, to contact me directly and I will certainly take that up with both the management of the department and as a policy issue. You will remember, Bill, that this was part of the Working Smarter initiative and part of the report that was published in January. We are reviewing all of our standard letters at the moment, and all of our standard letters should have a tone that is certainly efficient and clear, but also of respectful engagement. So, I apologise if that was your experience.

[135] We currently have 25 project officers to support the advanced level of Glastir, and we are recruiting another 10. I understand, and I think that you are right, as it happens, that that level of engagement and that level of support is welcomed by farmers and that, overwhelmingly, the experience of dealing with project officers has been very successful in the past. You will be aware that 700 people signed up to Tir Gofal at a time when we had over 40 project officers available to us. The resources are simply not available to increase the numbers beyond what we have. However, I hope that the 35 project officers that we will have in place in the coming months will be able to take up some of the slack there. Gary, do you have anything to add?

[136] **Mr Haggaty:** Only that, as the Deputy Minister has said, there are currently 25 people who are trained to do the job. We are in the process of recruiting 10 additional people and we hope that they will be operational by September.

[137] **Antoinette Sandbach:** I would like to move on to discuss record keeping. There was almost unanimity between the farming unions and the environmental organisations that the record keeping required by Glastir was far too onerous. They all complained that there is no need to record the wider stock levels and, in effect, they suggested that there needed to be a root-and-branch review of the record-keeping requirements, which would of course be in line with ‘Working Smarter’. As one of the organisations said,

[138] ‘It is a broad and shallow scheme, after all—it is not meant to be so complex that it puts farmers off’.

[139] It is clearly being identified as a barrier. What steps are you taking to review those record-keeping requirements and when will that review be completed?

[140] **Alun Davies:** I read a lot of responses to my stocktake that said exactly that. A number of people complained about the record-keeping elements of it, but, of course, no-one mentioned that they were paid to do that. However, we will put that to one side. There is payment within the scheme. I can see Bernard in the audience shaking his head, but, Bernard, you are one of the people I am talking about. [*Laughter.*]

[141] **Lord Elis-Thomas:** Unfortunately, Deputy Minister, if you carry on like this, I will have to give Bernard the right of reply and then we would be here beyond lunch.

[142] **Alun Davies:** Chair, Bernard does not need you to give him the right of reply. [*Laughter.*]

[143] There is a payment element to the record keeping that is within the overall envelope of the funding available under Glastir. However, I agree with you, Antoinette, that we need to look at how we maintain records, and this is part of the ‘Working Smarter’ process as well. We have a review under way. Gary, when do you expect that to conclude?

[144] **Mr Haggaty:** By the autumn.

[145] **Alun Davies:** The autumn, of course, is a very flexible time period, is it not?

[146] **Mr Haggaty:** Why do you think I used the term? [*Laughter.*]

[147] **Alun Davies:** Is it autumn this year or next year?

[148] **Mr Haggaty:** It is autumn this year.

[149] **Alun Davies:** So, shall we say by the end of October?

[150] **Mr Haggaty:** Yes, that is fine.

[151] **Alun Davies:** So, there we go.

[152] **Julie James:** It might be November.

[153] **Alun Davies:** Yes, I might regret saying that later. [*Laughter.*] We will fulfil our commitments in the review.

[154] This touches on ‘Working Smarter’, and it is one of the ideas that I was thinking about when I undertook the stocktake. Why do we have this requirement for record keeping? The purpose is to ensure that in the audit process we can demonstrate as a Government that the scheme is being delivered on the ground and that the payments are being made in a way which conforms to the rules and regulations that we have. It might well be—these are conditional terms again—that we need to have a conversation about risk, and I have spoken to the farming unions about this briefly, but not formally. At the moment, the Government largely takes the risk on behalf of the farming community, because, if there is an issue with the delivery of a scheme, we have the disallowance and we are fined as a Government for that. It might well be that people will want to change the balance of that and that the farmers unions will say, ‘We’ll take on more of the risk’, which means that people within the community would take more of the risk. We can have the conversation; I can see people looking shocked. I am happy to have the conversation; I am not saying that I want to lead that conversation or that I want it to arrive at a particular point. I am certainly not saying that the Government is changing its approach to this. However, it might well be that, if people wish, we can have that debate about where risk lies in this audit process. If individual farmers say, ‘We’ll take on more of the risk, because we are delivering this anyway’, we are happy to do that. We will have to have an inspection regime to fulfil our requirements, but it might well be that we do need to change and to have a discussion about where risk lies.

[155] **Antoinette Sandbach:** Deputy Minister, our farmers meet their contemporaries who are farming over the border in markets, and they see a dramatic difference between the paperwork that is required here and that which is required in England, particularly for the entry level scheme. If the aim of the Welsh Government is to encourage farmers to enter the scheme and that level of conservation takes place in the marketplace—and many Welsh farmers have land over the border in England where they have livestock at various stages of the year—it is important. Clearly, those European audit requirements are present over the border in England in the same way as in Wales. So, why is there this additional burden in Wales?

[156] **Alun Davies:** Well, clearly, there is not. They do not have Glastir in England, Antoinette. We are talking about a scheme here that is fundamentally different from that which is being operated across the border. It is not very helpful for you to make off-the-cuff

remarks like that. If you have a significant issue about that, you can contact me about it. You have not done so to date. If you had any suggestions to make, you could have done so during the stocktake, and you did not. Rather than making these broad-brush statements—which might be okay in a press release—in terms of where we are now, if you wish me to make any significant changes to how we manage this scheme, please make those recommendations directly to me and I will consider them. The paperwork that we have has been developed alongside the farming community in Wales. People talk about having various forms to fill in. It has been through a stakeholder process and they have agreed it, and I have had this conversation in private and in public before. You agree this in private, we publish the thing and then you say that you do not like it. I can only do what you tell me to do. So, if you have suggestions, make those suggestions and I will consider them.

[157] **Antoinette Sandbach:** Deputy Minister, I am grateful. I have put them on the record in the Assembly and to you in writing, but I will do so again.

[158] **Alun Davies:** I do not have any record of that, I am afraid.

12.30 p.m.

[159] **Lord Elis-Thomas:** Order. This is not an Assembly debate—this is much more serious and informative. I call Russell George.

[160] **Russell George:** Thank you, Chair. Under the trial that will be conducted with Tir Gofal farmers on streamlining access to the targeted element, when will farmers find out if they are eligible for the targeted element? Part of the reason why I ask the question is that, in your evidence paper, you seem to suggest that farmers will only find out if they are eligible for the targeted element after expressing an interest in joining the scheme.

[161] **Mr Haggaty:** Just to give you a bit of the background, in terms of farmers who completed single application forms that were submitted at the end of May this year, there were 9,000 or so expressions of interest in joining Glastir. We now have to start processing that information. The plan currently is that we will write to those farmers, probably in November of this year, just to say to them, ‘You expressed an interest; do you still want to pursue that interest?’ The reason why we do that is that we simply do not want to issue 9,000 information packs to farmers when some of them may no longer be interested. I think that that is a sensible way to take this forward.

[162] In November, when we write to those farmers, we will have been able to identify those farmers who were in Tir Gofal and the extension arrangements for Tir Gofal and we will have been able to put in place the measures that we need to be able to put in place, where possible, to take forward simultaneously their application for the entry level and for the advanced level.

[163] **Russell George:** Thank you for that clarification. I have a follow-up question. Annex IV of the stocktake report states that the Welsh Government is seeking additional resource for contract managers associated with the targeted element. Where will you be seeking this additional resource from?

[164] **Alun Davies:** That was the increased resource for project officers that we discussed in relation to the previous question.

[165] **Russell George:** Was that with regard to bills?

[166] **Alun Davies:** Yes.

[167] **Russell George:** That is fine. Thank you.

[168] **Lord Elis-Thomas:** Antoinette and I have an abiding interest in woodlands, and she will now represent me on this matter—and on nothing else. Do not have another round, please, Antoinette.

[169] **Antoinette Sandbach:** Deputy Minister, what discussions have you had with the Minister for environment about the conclusions that you reached in relation to the concerns expressed by forestry stakeholders on the Glastir woodlands scheme and the gaps that exist in that?

[170] **Alun Davies:** I discussed the conclusions of the stocktake with the Minister and he saw the conclusions of the stocktake prior to their publication.

[171] **Antoinette Sandbach:** Given that, what steps is the Welsh Government taking to address those concerns? You have indicated that Glastir is not the appropriate vehicle, so what is? What steps is the Welsh Government taking to address it? When will the review of the planting maps be completed?

[172] **Alun Davies:** I am the Deputy Minister responsible for Glastir. I hesitate to commit my ministerial colleagues on other matters without discussing that with them. You will have an opportunity to talk to other Ministers, of course, about these matters at other times. In terms of Glastir, let me say this: I gave a great deal of consideration to forestry and the place of forestry in Glastir, because I have enormous sympathy with the comments that have been made and I have sought to make Glastir as flexible as possible for the forestry sector. However, the key and fundamental decision that I had to take was: is Glastir a project and a programme by which we provide public support to the commercial sector, or is its primary objective environmental management? I took the view that the key, primary purpose of Glastir, funded through pillar 2 as an agri-environment scheme, is the support of environmental measures. Once I had taken that decision, the rest of the decisions in the stocktake came quite easily. I felt that, while a good case had been made for Glastir to do other things, the funding that I have available for Glastir is there to deliver this public purpose and not a different public purpose. People will know that I took an interest in these matters prior to my appointment to Government and it is an interest that I maintain today, but it is not an interest for which I am accountable.

[173] **Yr Arglwydd Elis-Thomas:** Diolch yn fawr, Ddirprwy Weinidog. Rwy'n credu y bydd yn rhaid imi gau'r trafodaethau am heddiw. Unwaith eto, mynegaf fy niolch i'r Clybiau Ffermwyr Ifanc am gael benthyg ei bencadlys. Diolch i Alun Davies, y Dirprwy Weinidog, a Gary Haggaty, y swyddog, am eu presenoldeb. Diolch i staff y pwyllgor, yn enwedig y rhai sy'n gyfrifol am y sain, oherwydd nid dyma'r lle hawsaf i sicrhau bod pawb yn gallu clywed y trafodaethau. Diolch hefyd i chi, y cyhoedd, sydd â diddordeb yn y materion hyn, am droi mewn y bore yma, gan brofi unwaith eto bwysigrwydd cynnal cyfarfodydd cyhoeddus o bwyllgorau'r Cynulliad Cenedlaethol yn y Sioe Fawr. Credaf ein bod wedi cael trafodaeth yn ysbryd y Sioe Fawr. Mae wedi bod yn ardderchog, os caf ddweud hynny, Mr

Lord Elis-Thomas: Thank you, Deputy Minister. I think that I will have to bring our discussions for today to a close. Once again, I express my thanks to the Young Farmers Clubs for allowing us to use its headquarters. I thank Alun Davies, the Deputy Minister, and Gary Haggaty, the official, for their attendance. I thank the committee staff, particularly those responsible for the audio, because this is not the easiest place to ensure that everyone can hear proceedings. I also thank you, the public, who are interested in these matters, for turning up this morning, proving once again the importance of holding public meetings of National Assembly committees in the Royal Welsh Show. I think that we have had a discussion in the spirit of the Royal Welsh. It has been excellent, if I may say so, Mr Deputy Minister, in

25/07/2012

Dirprwy Weinidog, wrth gloi, i weld cymaint o Weinidogion amaeth y Deyrnas Unedig yn bresennol yma yn y sioe. Mae'n dangos mai dyma wir ganolbwynt bywyd amaethyddol y Deyrnas Unedig pan fo'r sioe yn cael ei chynnal. Diolch yn fawr i chi.

conclusion, to see so many agriculture Ministers of the UK present here at the show. It demonstrates that this is the true heart of agricultural life in the UK when the show is in progress. Thank you.

Daeth y cyfarfod i ben am 12.36 p.m.
The meeting ended at 12.36 p.m.