



Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales

Cofnod y Trafodion The Record of Proceedings

[Y Pwyllgor Newid Hinsawdd, Amgylchedd a
Materion Gwledig](#)

[The Climate Change, Environment and Rural
Affairs Committee](#)

12/01/2017

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Cofnodir y trafodion yn yr iaith y llefarwyd hwy ynnddi yn y pwyllgor. Yn ogystal, cynhwysir trawsgrifiad o'r cyfieithu ar y pryd. Lle y mae cyfranwyr wedi darparu cywiriadau i'w tystiolaeth, nodir y rheini yn y trawsgrifiad.

The proceedings are reported in the language in which they were spoken in the committee. In addition, a transcription of the simultaneous interpretation is included. Where contributors have supplied corrections to their evidence, these are noted in the transcript.

Aelodau'r pwyllgor yn bresennol
Committee members in attendance

Jayne Bryant	Llafur
Bywgraffiad Biography	Labour
Sian Gwenllian	Plaid Cymru
Bywgraffiad Biography	The Party of Wales
Vikki Howells	Llafur
Bywgraffiad Biography	Labour
Huw Irranca-Davies	Llafur
Bywgraffiad Biography	Labour
David Melding	Ceidwadwyr Cymreig
Bywgraffiad Biography	Welsh Conservatives
Jenny Rathbone	Llafur
Bywgraffiad Biography	Labour
Mark Reckless	UKIP Cymru (Cadeirydd y Pwyllgor)
Bywgraffiad Biography	UKIP Wales (Committee Chair)
Simon Thomas	Plaid Cymru
Bywgraffiad Biography	The Party of Wales

Eraill yn bresennol
Others in attendance

Councillor Jamie Adams	Cymdeithas Llywodraeth Leol Cymru Welsh Local Government Association
Adrian Barsby	Cynghrair Twristiaeth Cymru Wales Tourism Alliance
Martin Bishop	Rheolwr Genedlaethol i Gymru, Confor National Manager for Wales, Confor
Angela Charlton	Cyfarwyddwr, Ramblers Cymru Director, Ramblers Cymru
Dai Davies	Llywydd, Hybu Cig Cymru Chairman, Meat Promotion Wales
Tony Davies	Tegwch i'r Ucheldir Fairness for the Uplands
Councillor Goronwy Edwards	Cymdeithas Llywodraeth Leol Cymru Welsh Local Government Association
Dr Nick Fenwick	Undeb Amaethwyr Cymru Farmers' Union of Wales
Dafydd Gruffydd	Rheolwr Busnes ar gyfer LEADER yn Ynys Môn a Gwynedd

	Business Manager for LEADER in Anglesey and Gwynedd
Stephen James	Llywydd, NFU Cymru
	President, National Farmers' Union
Dr Tim Peppin	Cymdeithas Llywodraeth Leol Cymru
	Welsh Local Government Association
Arfon Williams	Cyswllt Amgylchedd Cymru
	Wales Environment Link
Frances Winder	Coed Cadw
	Woodlands Trust

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

Martha Da Gama	Ail Glerc
Howells	Second Clerk
Rhys Morgan	Dirprwy Glerc
	Deputy Clerk
Elfyn Henderson	Y Gwasanaeth Ymchwil
	Research Service
Katie Wyatt	Cynghorydd Cyfreithiol
	Legal Adviser

Dechreuodd y cyfarfod am 09:47.

The meeting began at 09:47.

Ymchwiliad i Ddyfodol Polisiâu Amaethyddol a Datblygu Gwledig yng Nghymru—Cyllid, Rheoleiddio a Masnach
Inquiry into the Future of Agricultural and Rural Development Policies in Wales—Funding, Regulation and Trade

[1] **Mark Reckless:** Bore da. Welcome to our committee for our evidence-gathering session for our post-Brexit agriculture and rural development inquiry. The first panel—we were keen to focus on issues of funding subsidy, regulation and the trade outlet, post Brexit, both within the European Union and with third markets. I wonder if I could commence by asking, gentlemen, in broad terms about the current basic payment scheme, whether that is a scheme that you consider offers value for money or not and whether you think direct payments should feature in future policy and, if so, to what extent. Shall I start with you, Stephen?

[2] **Mr James:** Well, thanks for the opportunity, first of all, Chairman, to give evidence here this morning. We appreciate it. We feel agriculture is an important part of the Welsh economy. It underpins the £7 billion-worth of the food and drink industry, so it's a critical part, and that's why we most certainly welcome the opportunity. Farmers also manage 80 per cent of the land, so in terms of environmental payments or whatever, it's a route through the farm—

[3] **Mark Reckless:** Sorry, can I just clarify for the record, was that eight, 18—

[4] **Mr James:** Eighty per cent.

[5] **Mark Reckless:** Eight zero.

[6] **Mr James:** Yes, 80 per cent of the landmass of Wales is managed by farmers—

[7] **Mark Reckless:** I heard eight, which struck me as being rather lower than I'd understood, so thank you for that clarification.

[8] **Mr James:** On the subject of direct payments, I think it's an opportunity. I think the great thing about this—the opportunities of this Brexit are that we can now have a domestic agriculture policy that's fit for purpose. There may be questions as to how direct payments—and I know we've challenged Government on the methods of paying out. We're going to a flat rate across the whole of Wales at the moment. We feel that, as farmers, it should be for supporting food production. I'm a dairy farmer and my job is producing food to grow the economy of Wales, to feed the nation, and feed the wider world. We feel that that's the essence of these support payments.

[9] Food has always, in our view, been kept cheap by various Governments because it's a good message to the consumer that food is cheap, and that, I think, is the support—. We want to talk about it as a support payment as opposed to a subsidy, because it doesn't only just supports us as farmers, it also supports a wider rural economy. We most definitely emphasised that over the last year, by inviting onto farms businesses that those particular farmers dealt with. In one case, we had over 60 businesses on the farm, and in another one, with Abi Reader, near Wenvoe, on the outskirts of Cardiff, we had over 100 different businesses,

showing how important the wider economy is to that. So, those support payments—. I think we've got an opportunity of directing—you know, I mean, different sectors will have different reasons for them. For example, as a dairy farmer, what I want—what we want in the industry—is to be able to live with volatility, and getting us through volatile times. The red meat sector—and I'm sure Dai will cover that one—is a different one because there are the challenges of cheaper imports from other parts of the world.

[10] Environmental payments—I think lots of us are involved in environmental payments, but that can be targeted more. So, those are the opportunities, I think. We welcome the fact that we've got a clean sheet of paper, really, now to not be dictated to by Brussels or wherever. This can be a Welsh agricultural policy. But I do think it's important also to have maybe a UK framework—an agreed framework amongst the devolved administrations as to how that should be delivered. A lot of our goods cross the border. You know, there's not a hard border between Wales and England, or equally the other devolved nations. So, we need a framework that doesn't distort the market as well. Of course, things like animal health would come under that as well. We don't want too much distortion, but we accept, just as it is now, that there will be detail delivered. For example, the Glastir programme is purely a Welsh programme, and the method of payment is a Welsh programme as well. But, you know, we still feel that agriculture—. And we will have to compete with other countries—Ireland to the west, and European countries, which may well be having support payments going forward. We'll be competing with South America, who can use genetically modified products and growth hormones to promote their beef, and produce it a lot cheaper than us. We still envisage having the environmental standards, the TB regulations and all those regulations that we have to live with that the New Zealanders don't have to live with, or the South Americans.

[11] **Mark Reckless:** To confirm, are you comfortable with a shift away from pillar 1-type payments towards a greater degree of emphasis on broadly pillar 2 objectives, but defined and developed within a Welsh context?

[12] **Mr James:** I would like to move away from pillars completely and call it one payment, which supports agriculture to become a world-leading producer of food and environmental goods, and access—you know, £2.5 billion tourism industry relies quite heavily on agriculture as well, because it allows access to the countryside. One of the things that we have done—and I trust that you've had these papers that we've all submitted—

[13] **Mark Reckless:** Thank you.

[14] **Mr James:** —is to match what agriculture can do to the seven pillars of the Well-being of Future Generations (Wales) Act 2015. I think that's a critical bit as well, because we've heard in the last couple of days about the problems in the English NHS, and the Red Cross and their view on it. We feel that, in stopping people going into hospital in the first place in terms of obesity—access to the countryside and good wholesome food can help reduce NHS bills in different ways.

[15] **Mark Reckless:** Good. Arfon, can I go to you next? Broadly, on the basic payment scheme and shifts within that, as Stephen has described, is that also your broad position?

[16] **Mr Williams:** I think, before I respond to the question, again, I'd like to welcome the opportunity to present evidence here and be a part of this inquiry on behalf of RSPB and Wales Environment Link. I think it's worth remembering that the network has a broad membership and we've hundreds and thousands of members across Wales. As a network we are concerned about ongoing biodiversity declines and the degraded state of the environment. We see this inquiry and the resulting decisions as an important opportunity within Wales to come up with a new policy, a fit-for-use sustainable land-use policy that will secure environmental enhancements for all in Wales, contribute towards halting declines of biodiversity, and also be fair to farmers and benefit all society. I think in order to do that the value for money question is a critical question and using public money in a way that secures public benefit will be essential in going forward.

[17] In response to current pillar 1, and despite having things like cross-compliance there as a safety net, really, there's quite a lot of evidence to show that—. I don't think it does deliver value for money. There are water framework directive issues associated with agriculture, and if I can refer to a couple of things we've got here: diffuse pollution is significant and contributes to more than one third of water framework directive water body failures from agriculture, and that's NRW's figure. The state of natural resources report indicates that the risk of agricultural diffuse pollution is in fact increasing. The 'State of Nature 2016' report demonstrates that intensive farming and farming intensification is contributing towards ongoing biodiversity declines. This must be recognised, and I think these issues were recognised in the last reform of the common agricultural policy, and there were moves to improve the environmental credentials of the CAP

through introducing greening. Unfortunately, within Wales—or across Europe—the reality was that those greening measures were watered down so much that the vast majority of farmers would qualify based on current practices. So, I think, over 90 per cent of farming qualified for greening straight away and, therefore, satisfied those conditions, and that was without changing farming practices, which is required in order to drive positive land management that will lead to changes.

[18] Picking up the points you made about moving towards a pillar 2-type approach, I'm not sure what we would call it, but that's certainly the approach that we would advocate. In that way you can use public money in a much more focused, much more targeted fashion, in the way you can link payment to actual outcomes and objectives, which currently, at the moment, we can't do through pillar 1.

[19] **Mark Reckless:** Thank you. We will have several questions, Dai, on trade and food promotion later. But if I may, for now, I'll go to Vicky to ask about the regulatory context?

[20] **Vikki Howells:** Thank you, Chair. Yes, I'd like to ask you all about the regulatory context. If I can start with you, Stephen, please? I know that the NFU has said that its members expect now some rolling back of regulations, and we certainly understand here at the Assembly that that was part of the reason for a lot of farmers voting to leave the EU. You've spoken about some of the regulations already that you feel would be important to keep—environmental regulations—and I wonder if you could expand for us, perhaps, about what your members' expectations are about the kind of regulations that they expect to see that rolling back of?

[21] **Mr James:** I guess all regulations might be the answer for some farmers, but we accept that maybe burial of livestock and all that sort of stuff is highly unlikely to change from an animal health point of view. Some of the issues are about reporting. For example, last week—we're under TB restrictions at the moment and we're allowed to sell direct to slaughter and Friesian bull calves are sold at about three weeks old direct to slaughter—I forgot to inform the British Cattle Movement Service that they'd left the farm—you know, they'd gone to slaughter; they hadn't gone anywhere else. Within three days, in fact, I did it—I was away for a couple of days and I didn't do it until Sunday. I should've done it at least on Saturday and that's a tick in the box of bad practice. It's those sorts of regulations that annoy us, really. They're so heavy-handed on—. And it's a minor point. If we have a

cross-compliance issue—. Well, it maybe tags missing—all our animals have a tag in each ear and if they're missing from one—. They're far from perfect—. In terms of broken tags—they're only made of plastic. Cows and sheep stick their heads through barbed wire and they lose these tags. Again, that can be a 3 per cent deduction on a payment, the first time, on an inspection. And they are minor things. If you're a large farm, you may be farming 1,000 acres and your payment is quite high, 3 per cent of that payment is a massive fine—and it's a fine, isn't it? And if you appeared in the local paper having paid a £3,000 or a £4,000 fine, people would think that you'd done something very drastic, whereas, in fact, it's just a couple of ear tags—not both ear tags missing, but a single tag missing. And it's those simple things, in that sense.

10:00

[22] Environmental regulations: obviously, Arfon mentioned diffuse pollution; we don't want farmers to have—. And farmers end up in court—sometimes they're accidents, and they're very rarely deliberate—well, they're not deliberate, but accidents do happen and you can apply slurry to some land and then you get very heavy rain following it. So, there are some of those sorts of challenges, but we most certainly don't condone that.

[23] Our target is a clean environment, and we most certainly would want that, but some of the regulations on capital and—. What you also have is a 1m strip at the moment; if a farmer ploughs a field and they plough within 1m of the hedge, they're deemed again as cross-compliance, and you can have that. And arable farms tend to be larger as well. Arfon mentioned the SoNaRR report, and in the SoNaRR report it says that 75 per cent of hedgerows in Wales are in a poor condition. I drive the length and breadth of Wales, and I drive around some of these back roads as well, and I don't see that. I'm not sure how that's judged—is it judged that a hedge should be 4m wide, or whatever? To me, a hedge is there for keeping cattle separate, or keeping cattle and sheep within the area that they should be. On the ploughing of a hedge, my father used to have, well, my grandfather would have a plough that actually ploughed out the base of the hedge, because that's where all your weeds come from—couch and all that sort of stuff start there and actually grow out. So, they used to plough tight to the hedge as weed control, before the times of herbicides or whatever. And I don't see that what happened in those days has affected hedges today, because most of the hedges that I see—poorly fenced hedges tend to be because cattle or sheep are actually walking back and through them; if they're well-fenced, hedges

are kept in a good condition.

[24] **Mark Reckless:** It's very useful to have [*Inaudible.*] Vikki, do you want to follow up with other members of the panel?

[25] **Vikki Howells:** Yes, please. I think the—

[26] **Jenny Rathbone:** Can I just follow up on that one point?

[27] **Mark Reckless:** Specifically to Stephen?

[28] **Jenny Rathbone:** Yes.

[29] **Mark Reckless:** Yes, and very quickly.

[30] **Jenny Rathbone:** Really just to say that the reason why there are strong controls on cattle is because we're trying to eradicate TB. So, I appreciate you had an oversight before sending your—

[31] **Mr James:** On the third day—on the fourth day, yes.

[32] **Jenny Rathbone:** But that's why we have to have tough regulations, because we're trying to control the—

[33] **Mr James:** With respect, five or three-week-old calves going direct to slaughter has no impact on TB. But I appreciate the point. But it's the three-day rule—three days is a tight window. Three days—most people work Monday to Friday, don't they? Three days includes Saturday and Sunday as well, okay? So, if I've moved them on a—. It's the three days. We do work seven days a week, just for that understanding. And fair enough to report the movement, but to have this sort of—. During harvest time, for example, farms are busy and your mind isn't always focused on that thing, so—

[34] **Jenny Rathbone:** But at the same time, we're trying to control—

[35] **Mr James:** Not to be so heavy-handed. We accept the rule; it's the heavy-handedness that we challenge.

[36] **Mark Reckless:** Thank you. Vikki.

[37] **Vikki Howells:** Thanks. Just to conclude my questioning with you,

Stephen, I'd like to say that the issue with tags in particular has been one that local farmers have raised with me, and the bureaucracy around that. So, I think that's a very good example for us to hear here today. But I wonder if I could ask you, Dai, and Arfon also, what your views are on what Stephen has said now and what your organisations would class as being an acceptable way forward in terms of striking a balance between removing some of the more onerous regulations and look after the best interests of the Welsh countryside and Welsh agriculture.

[38] **Mr D. Davies:** Can I thank the committee in a similar manner to Arfon and Stephen for inviting me to give you some evidence? As far as Hybu Cig Cymru, which is the red meat marketing organisation for Wales, is concerned, we certainly wouldn't want to see a bonfire of rules and regulations, especially if want to maintain access to the single market in Europe. But, of course, we could be more pragmatic, as Stephen perhaps has suggested, in that we should be basing some of these regulations on risk rather than the heavy-handedness at present.

[39] From time to time, I support my wife by going to shop in Tesco's and we go through the hand-held scanners, and you end up checking out and sometimes you're a bit apprehensive about whether you're going to be tapped on the shoulder and they'll want to examine your bag. My wife said the other day, 'Well, I haven't been checked for the last year or so', and we had a chat, and of course they base their checking on risk. If somebody hasn't toed the line, or, how shall I say, has diverted off the path that they expect, they check them regularly. I think that's perhaps the way that Welsh Government should consider the agricultural industry as well.

[40] Also, you could use modern technology, perhaps, to help us out as far as the inspections are concerned, such as photography and any other development for the future. I think, as Welsh producers, we need to be banging our drums about our standards and the regulations that we have got in Wales, and to use these high standards of animal welfare, husbandry and the steps we are trying to take as far as mitigating climate change is concerned—banging the drums and using these as a marketing tool for us, especially after Brexit.

[41] **Mr Williams:** I won't repeat what Stephen said. I'll focus on—I recognise those issues, and certainly some of those issues are things that I come across when I'm talking to farmers. But I think, on the subject of regulation, the points I made about water quality earlier on highlight the

need for robust regulation, but also the robust implementation of regulation as well. I think the ongoing decline of water quality is a serious consideration, and there's also some talk, in a recent payment for ecosystems meeting, about possibly the need for regulation around sediment loss—not just chemical input, but actual sediment loss. Sediment loss is a key consideration. Something like 30 per cent of UK topsoil has been lost in the last 40 years, and loss has increased by 300 per cent in the last 30 years. So, loss of topsoil is a massive concern.

[42] Certainly, the RSPB and other conservation NGOs welcomed the conclusion of the refit process in Europe around the directives—the regulations surrounding the nature directives. I think there—again, I'd welcome Stephen's comments about not wanting to water down environmental regulation, and certainly the nature directives are key bits of nature regulation—the findings were that the directives were fit for purpose, and the regulations were fit for purpose, and again, it was more about implementation and more effective implementation. I think it's probably something about better advice and guidance across the board here to follow up with the farming community at some point. If we don't pick it up here, then a lot of the regulation is—there needs to be better explanation of what the requirement is.

[43] Thinking about the future, the direction that Wales is travelling in, and about regulation and standards, I think as we move towards a country that's going to be boasting its sustainable credentials, I think our regulation and our standards have to reflect that kind of aspiration. So, I think we need to probably look at that, and look at the Well-being of Future Generations (Wales) Act 2015 and the seven goals there, and start thinking, 'Well, can actually back this up now with what we've got in place?'

[44] **Vikki Howells:** Thank you.

[45] **Mark Reckless:** Huw, did you want to come in?

[46] **Huw Irranca-Davies:** No, it's been covered, thank you.

[47] **Mark Reckless:** Jenny, I think, on horticulture.

[48] **Jenny Rathbone:** Thinking about the future and the seven pillars of sustainability in the future generations Act, we've had several previous witnesses argue the case for diversification, particularly around vegetables

and fruit. There's nothing more depressing than going to a village shop and there's nothing local to buy, even in the middle of the harvest season. We have huge needs for fruit and vegetables and, at the moment, nearly all of it's imported, and that price is going to go up massively as a result of the drop in the pound. So, I wonder if I can get your views on that.

[49] **Mr James:** Yes, we'd encourage that. They're talking about a food hub, actually, in Wthybush, on the outskirts of Haverfordwest. Puffin Produce—I'm sure you're aware of—are talking about a food hub. For example, there's waste with potatoes. Consumers today apparently want things to be equal-sized, whether they're carrots or whatever. That's a challenge for growers—to get those crops there. I know farmers—Guy Poskitt, based in Yorkshire, actually produces most of Asda's carrots, but they have to be produced to a specification, and that's quite a challenge to do on some of the land we've got in Wales because of challenged soils.

[50] **Jenny Rathbone:** I think the mood music is changing, don't you?

[51] **Mr James:** Yes, all right. And, of course, it's specialist as well, because labour isn't cheap these days. If you're using people to pick potatoes and to pull carrots up, there's a cost to that, and, again, consumers expect carrots to be cheap. So, those are the challenges that we've got. But, for example, I did say about the Puffin potatoes. They've got ambition, for example, to use the waste potatoes and produce mashed potatoes because the consumer now is—. We've got statistics that say that most food is prepared within 20 minutes. The old days of producing food, or preparing food, for an hour and a half have gone. These are the figures that we're given on a regular basis—that the consumer isn't prepared to spend an hour and a half preparing food. I'm not sure what your experience is, but that's what we're told by the various bodies, like Kantar and all those sorts of bodies. Therefore, there's an opportunity, I think. And you're right—we can now prepare some of these prepared foods. Marks and Spencer is a good example of these prepared foods. It's literally, stick it in the microwave and it's ready within 10 minutes or whatever.

[52] **Jenny Rathbone:** The schools want to be able to source food locally, and they simply aren't able to. So, at the moment, we have a mismatch between what organisations and society needs, and what we're actually producing. We're producing layers of monoculture, which is good quality in the main, but we have to diversify, don't we?

[53] **Mr James:** In terms of specialist foods, for example, like carrots and those things, it's the high inputs of them that's the problem. Potatoes are grown quite extensively in Pembrokeshire, and one of the issues we have on protected geographical indication status and some of the issues around the nitrate vulnerable zone rules coming forward is the way they're prepared. It's all about efficiencies. There are stones with potatoes. You've got to remove stones from the ground, and all this sort of business. The consumer wants—at least, this is what we're told—that consistency. Yes, I admit that there is the farmers' market, but the majority of people still are going down that route of consistency and whatever. To satisfy that market, with retailers, they expect us to do it in a certain fashion. So, you can have the niche products and boxed vegetables. Farmers can do that, but you've got to pay a little bit more for those, and whether the general consumer is prepared to do that is the question.

[54] **Jenny Rathbone:** Many people argue that food is too cheap—

[55] **Mr James:** I would agree with you. I would agree with you.

[56] **Jenny Rathbone:**—which is why one third of all food never reaches the table. So, if we paid a bit more for food, and paid our labour more, would that make a difference in terms of whether farmers would produce fruit and vegetables?

[57] **Mr D. Davies:** I'll have a stab at that one because, historically, we remember that Pembrokeshire was a vital area for growing early potatoes—15,000 acres of early potatoes were grown in Pembrokeshire, historically, when I was a lad. These days, about 400 acres are actually grown there because of the fact, of course, there's competition from growing early potatoes in sand in Egypt. They can bring them here all year round. Other parts of the world, and other parts of Europe, have sort of taken over that market. Sadly, of course, we all remember the golden days of the Gower peninsula, when we used to see horticulture feeding the market in Swansea. That whole industry was destroyed by the large multiple retailers, where they needed certain standards of vegetable of a certain gauge, a certain size and similarity. They wanted people to be able to produce on a large scale. Therefore, the Gower growers just couldn't compete.

[58] **Jenny Rathbone:** Okay. So, it's the multiple retailers that we've got to challenge, then. It's the distribution networks that—

[59] **Mr D. Davies:** The funny thing now, of course, is that many of these multiple retailers want local produce. Morrisons is one that has been chasing people in Wales for quite some time to try and get some contracts with them. But, of course, I think Wales is coming back into the framework as it were. Stephen's mentioned the hub, the Puffin organisation in Haverfordwest. We've seen the tremendous development of that organisation and it could be an example for other organisations in Wales as well.

10:15

[60] **Mark Reckless:** I think the committee is particularly interested in areas where there may be opportunities in a post-Brexit environment, and how might we do things differently with the policy freedom, rather than necessarily a justification of current positions.

[61] **Mr James:** I can give you the example of cauliflowers: cauliflowers used to be picked and they'd be taken to a farmers' market and if they weren't all sold they'd be wasted, so there was a lot of waste in that. But in Puffin now they actually keep them. You can cut cauliflowers at any time and they keep them in this sort of damp—. They spray water on them. I'm not quite sure what the process is, but that means they keep them fresh longer. So, it's more efficient. So, there are techniques and ways of doing that more en masse. I think, to be fair, that's what this food hub is about: it's developing what Jenny's been talking about really. The opportunity's there. For certain parts of Wales the soils are a bit thin, especially in mid Wales and parts of Pembrokeshire where I live. Some of the soil we've got is only about three or four inches and that's not because it's washed away because, always in my lifetime, it's grass that's been growing on it, so it's not washing away.

[62] **Jenny Rathbone:** So, in the context of the possible threat to the current markets that farmers sell to as a result of Brexit, at the moment you can't perceive any particular appetite or interest in diversifying.

[63] **Mr James:** The lamb market—.

[64] **Mr D. Davies:** As far as Brexit is concerned, it's a well-known fact that we export 30 per cent of our red meat from the UK to Europe. But, of course, we import about 30 per cent of our vegetables and flowers and whatever from Europe. If we are not going to get access to the single market, my pitch would be: if they're going to set up tariffs against us, then we should be setting tariffs up against them. So, it might give us a greater opportunity to

be able to produce some of these on home turf, rather than bringing them in from Europe, as we have done historically. But, of course, as far as trying to market red meat in Europe is concerned, we hope we won't have to face these tariffs and that a reasonable settlement will be put in place.

[65] **Mark Reckless:** I think that one certainly leads us to trade, where David was going to lead with a few questions.

[66] **David Melding:** Thank you, Chair. I wonder what your reaction is to the growing realisation that we won't be a member of the single market. I know the farming unions and most organisations, I think, involved in agriculture have said either membership of the single market or tariff-free access, which in essence is still membership, perhaps without some of the obligations, I guess. Is that still a possibility? You may also be in contact with your colleagues in Europe and what are they going to think of that type of arrangement? Because that scenario one, clearly, would be the best for us, but we need to know how realistic that is now and where we then shift our attention if that's not going to be achievable. So, reaction to the last few weeks when it's been made pretty clear that we will not be members of a single market.

[67] **Mr D. Davies:** Well, we're still in a bit of a vacuum as far as that's concerned.

[68] **David Melding:** Well, I think it's pretty clear that—.

[69] **Mr D. Davies:** We don't really know. Nobody seems to be showing their cards. There's a possibility we might not be and it might have strengthened over the last three weeks, but we hope that common sense kicks in at some stage or other. But, obviously, it isn't there at the moment. As a marketing organisation, I can't over-emphasise the importance of the European market to us as far as the red meat sector is concerned, especially Welsh lamb. As the majority of you will know, one third of the Welsh lamb production from Wales, which is about 1.3 million lambs, actually ends up being consumed in Europe, tariff-free of any restrictions. Of course, it's an ideal market for us because it's fairly close to where we produce the product and also it fits in with the fact that we've only got a 21-day shelf life for Welsh lamb at the moment. Of course, having the markets on our doorstep enables us to tackle this. As I said, 1.3 million of our lambs actually leave Wales. Probably as far as a UK basis is concerned about 6 million lambs from the UK end up in Europe and about 6 million lambs from New Zealand and Australia actually

come into the UK. So, if I was the Prime Minister, looking after the interests of the red meat sector, I would say, if we lose the single market, we get rid of the cheap imports from Australia and New Zealand in order for us to sell the lambs that we actually sell to Europe now, because there would be a demand for them at home. But that's a bit of a pipe dream, really.

[70] As far as Wales is concerned, we have to remember that we have about 63 abattoirs and cutting plants that actually qualify for PGI status—some of them are in Wales and some of them are based outside Wales—but only about three major abattoirs are based in Wales. They export about 80 per cent of the Welsh lamb into Europe. So, as far as Wales is concerned—and they also employ between 500 and 1,000 people, those three abattoirs—it would be a major problem for them. We've seen in the press recently figures quoted that only 5 per cent of businesses actually trade with Europe. Yes, but I have mentioned those three abattoirs and, of course, there would be about 4,000 or 5,000 smaller businesses actually supplying those abattoirs. They would only be the funnel in getting those 5,000 or 6,000 businesses' produce out to Europe.

[71] As far as scenarios of having to leave the market are concerned, and if we ended up with a World Trade Organization scenario with Europe, as far as cattle carcasses are concerned, we would have to face a tariff rate based on 2015 figures of 12.8 per cent plus €176.8 per 100 kg, which puts a tariff of 84 per cent against carcasses of cattle. As far as cuts from cattle would be concerned, there would be 12 per cent and €303 per 100 kg. More importantly for us, as far as lamb is concerned, if we were sending carcasses out to Europe, we would face a 12.8 per cent tariff plus €171.3 per 100 kg against them, which would equate to 46 per cent. If we were sending cuts out to Europe, it would be 12.8 per cent plus €222.7 per 100 kg, which would be a 61 per cent tariff against us—something we couldn't live with.

[72] **David Melding:** Could I just come back? I campaigned vigorously for us to stay in the European Union, and some of these arguments were used then, but the vote went against us. So, I don't think it's productive to talk about how useful the single market has been at this stage, because we've got to face that fact that we are going to—. I'd say there's a 95 per cent probability we'll be outside the single market. So, let me try to put the question in a different way: is there any precedent out there for nations to have tariff-free access on agricultural products, particularly livestock, to the single market? I want to know how feasible it is for us to try and push this as an achievable aim.

[73] **Mr D. Davies:** Well, we wouldn't be able to trade with any country within the European Union on a tariff-free basis because we are trading with about eight countries at the moment, but of course those have to live within the standards and the tariff rates of the European Union. So, you could have your talks with France or whatever and they could say, 'Yes, we welcome Welsh lamb', but then they would have to live by the European rules of imposing this tariff on Welsh lamb. So, the only countries we could feasibly trade with would have to be outside Europe.

[74] **David Melding:** So, there isn't a possibility—. We do hear this actually from some people who were very firmly in favour of Brexit—that we could still achieve a trading agreement with the European Union that doesn't have tariffs on either side. I'm trying to test the feasibility of that.

[75] **Mr D. Davies:** You couldn't trade with individual countries within the European Union. You either trade with the European Union or you don't trade with them, or face the WTO tariffs.

[76] **David Melding:** I realise that and presumably individual countries don't negotiate within the EU—that's the whole point of having a single market. I understand that. But, is there any other country that has access without having to pay tariffs?

[77] **Mr James:** There are some with quotas. Iceland, I know, have put some lamb into it, but that's quota based. New Zealand are doing it. New Zealand put lamb into it; it's a quota-based volume, again. So, that's an example.

[78] **David Melding:** Okay. So, it seems to me that we will face some form of tariff for our goods.

[79] **Mr D. Davies:** Switzerland and Norway actually trade with Europe on what we call a free trade agreement, but, of course, agriculture isn't part of that trade agreement.

[80] **David Melding:** No, I understand that; we need to focus on agricultural products.

[81] The second thing, and I infer from your responses that we've not heard very practical propositions, then, from those who have been looking at this, that the outcome may end up with a continued access on a tariff-free

basis to the single market even if we're not members of it. That brings me to the second point. If we are going to leave the single market, what sort of transition arrangements do you think would be plausible? Because, again, if we need to focus on that for the time being, then we need, obviously, to get the best deal over this difficult transition period. So, you know, what are you hearing? What do you think might happen?

[82] **Mr D. Davies:** Well, it's not a matter of what we're hearing; it's what we need in order to succeed. Otherwise, we're going to face the cliff edge when we come to March 2019. That is not the time to prepare and put a strategy or transitional strategy in place; we should be sort of examining potential strategies at this moment in time. Hopefully, we won't have to use them, but we should be well aware of the fact that we've got them in the back pocket, sort of ready to bring forward if we need to.

[83] We shouldn't look at this challenge too negatively. Long term, we may be as well off, or we may be even better off, than we are today. It's just this way of how we get from point A to point B, and then I stress the importance of interim and transitional measures that need to be put in place on day one, but which can be phased out over a period of, say, up to 10 years. Because we are working at the moment with potential markets—potential markets in Kuwait; we've actually started the ball rolling there, and I have some information as far as that is concerned. I think, from what I understand, if I could have found the page, or could have prepared the page, we've actually been involved with the embassy in Kuwait. That's right, yes, the questionnaire has been submitted to the British embassy in Riyadh, but it's still working out the best way, diplomatically, to deliver this to the authorities in Kuwait.

[84] As far as China is concerned, we had a visit from the Chinese authorities in October and we can see that there will be an agreement made on beef by 2021. Of course, once we can get that agreement in place, we can sort of come on to lamb. But I could point out what we've lost out on as far as lamb is concerned: there've been a lot of agreements on an EU basis on red meat, but lamb hasn't been included; it's been an afterthought, because lamb, as far as the EU is concerned, is a very, very minor part of the red meat sector, and they seem to introduce it at a later stage. What we in Wales need to do is to make sure that if we have discussions with any other country on red meat, lamb is included in that one.

[85] As far as the USA is concerned, the process of gaining access to the US

is still ongoing, despite worries following the recent US election results. We hope to hear in early 2017 the outcomes of their assessment, so we can move on to inviting them to audit our beef and lamb and our premises and our paper trail. We are still positive and moving forward with a plan, although no definite timeline has been drawn up.

[86] As far as Japan is concerned, good progress is being made, again, on beef, but we hope that once we get beef in there, we'll be able to get lamb as well. Additional answers and supplementary questions were responded to in November. There is a feeling that although negotiations are going on well, there will be political issues as we sort of move on to the final stage on that one.

[87] As far as Canada is concerned, we've been in Canada for three or four years—coming back to the Icelandic lamb—because Icelandic lamb used to go into Canada at one time, but the problems with the volcanoes and things mean that the number of sheep in Iceland has diminished, and, of course, Welsh lamb seems to have capitalised on that sort of vacuum that was left as far as Icelandic lamb was concerned. But, this year is the first time we've been able to break out into retailers. We're hoping that we can use Canada as a springboard to get into the USA, because a lot of the agents who are actually dealing in Canada also deal in the USA. So, if we can build up a good relationship with them, we'll be ready for sort of moving on in that direction.

[88] As far as Switzerland is concerned, that has developed, really, because our agent in Italy has actually moved to live in Switzerland—I haven't asked him, but there are obviously some tax advantages to living in Switzerland rather than living in Italy at the moment—and he's developed a rapport with some of the importing companies there, so we're building up that market as well.

10:30

[89] **Mark Reckless:** Thank you for that—[*Inaudible.*] David.

[90] **David Melding:** That does bring me on to this issue of alternative markets, but first of all, I infer—and a few other witnesses, I'm sure, will agree, please tell me if you don't—there now needs to be very, very concentrated attention on the transition arrangements, because whatever happens, we're still going to have to trade an awful lot with the European Union. You mentioned alternative markets, and nearly all of them, unless we

negotiate something very quickly, will apply tariffs or quotas. So I could ask the same questions in relation to those markets as I did about if tariffs are applied within the European market. Let me ask a macro question: in all you've talked about, certainly in terms of lamb, but beef is a ferociously competitive market as well in terms of international providers out there, we're going to be against some premier-league players, aren't we, like New Zealand, for instance. They will be in the markets we're now identifying, or won't they? Is there a genuine lack of provision in some of these markets and gaps that we could fill, or are we trying to diversify our export potential, but amongst many other competitors? I'd like to know where we are and the scale of what we are facing.

[91] **Mr James:** Obviously, accessing our own market has got to be a priority as well. Public procurement, for example—

[92] **David Melding:** I think someone may ask about the UK market.

[93] **Mr James:** Yes, all right. So that's an option, obviously, to displace imports, isn't it? It's about displacing imports as well.

[94] **David Melding:** I suspect the committee will move on to that.

[95] **Mr James:** Yes, I'm sure.

[96] **David Melding:** I'm focusing on international trade at the moment.

[97] **Mr James:** Obviously, you're right, Argentinian beef, or South American beef, is a challenge for us, but of course it's about standards. Going back to what we were talking about on environmental standards, they don't have the environmental standards that we—. We had James Parsons, who heads up—he's Dai's equivalent from New Zealand—showing us the land he farms. It's as steep as anywhere in north Wales. You couldn't take a quad bike on it. They sow the grass seed and lime it with aeroplanes and helicopters, and we wouldn't be allowed to do that, because of environmental impact assessments, and all that. So, those regulations confine us. If you take all those regulations away, we then can compete with the New Zealanders, and maybe only have three breeds. That's what they do and that's what they've done. They've gone through some painful times to achieve that. So, that's the competition we're up against, and equally so with South America. Dame Helen Ghosh in Oxford last week talked about this: we shouldn't be exporting or importing environmental damage. That's what she

talked about. So it's those things that we've got to address. The retailers have a responsibility to acknowledge that as well. And those are the sorts of pressures that we've got to put on those import markets.

[98] **David Melding:** They're also very vast questions, and we just can't do it ourselves, can we? We've got to do it via international partnerships and the World Trade Organization, or whatever.

[99] **Mr James:** If Brexit told us anything, it was about Britishness. If Donald Trump tells you anything, it's about American—. So therefore, let's concentrate on our own markets.

[100] **Jenny Rathbone:** Can I come in?

[101] **Mark Reckless:** Sian indicated first. Can I stick with Sian, then Huw then Jenny?

[102] **Mr D. Davies:** Could I just say on that issue that beef isn't such a major problem for us as lamb? Because we only export about 15 per cent of the lamb. Seventy per cent of our imports actually, as far as beef is concerned, on day one, come from Ireland. So if we leave the EU, I would very much hope that Irish beef won't be flowing into the UK as much as it has done in the past and that we will be able to accommodate the extra 15 per cent in the home market.

[103] **Mark Reckless:** Sian.

[104] **Sian Gwenllian:** Roeddech chi'n cyflwyno darlun du iawn ynglŷn â'r sefyllfa petaem ni yn gadael y farchnad sengl. Ac er fy mod i'n rhannu rhywfaint o besimistiaeth David, rwy'n dal i feddwl ei bod hi'n bwysig ofnadwy ein bod ni'n dal i roi'r dadleuon yna ymlaen ac yn dal i feddwl mewn termau ei bod hi'n bwysig inni ddadlau achos Cymru a bod Cymru yn llawer iawn cryfach o aros o fewn marchnad sengl. Achos mae'r tirlun yn newid drwy'r amser yn wleidyddol, felly nid ydw i'n

Sian Gwenllian: You were presenting a rather grim picture there in relation to the situation if we did leave the single market. And although I do share some of David's pessimism, I do think it's very important that we still put those arguments forward and we continue to think in terms of how important it is for us to put Wales's case forward in saying that we're much stronger staying within a single market. Because the political landscape changes all the time and I don't think we need to be too

meddwl bod angen inni anobeithio yn llwyr, ond, wrth symud ymlaen o fanna, rydych chi wedi bod yn rhoi'r pwyslais ar y rhwystrau, y tariffau, ac yn y blaen. Rydych chi wedi sôn rhyw ychydig ynglŷn â'r ffordd arall o sbio ar y broblem, mewn ffordd, felly—yn hytrach na meddwl mewn termau'r rhwystrau a'r tariffau sy'n mynd i fod, beth fedrwn ni ei wneud i atal y mewnforyn rhad rhag dod i mewn yn y lle cyntaf. Felly, mae hwn yn agwedd arall o'r un broblem, onid ydy? Os medrwn ni ganolbwyntio ar hynny, a pha fesurau y byddai'n bosibl i ni ddefnyddio, ac a oes yna rywbeth penodol yng Nghymru y byddem ni'n gallu bod yn canolbwyntio arno fo fel mesurau i ddiogelu'r farchnad a chryfhau'r farchnad yn lleol.

[105] **Mr D. Davies:** Wel, mae'r lliw du rydw i'n lliwio ar y diwrnod cyntaf, pan fyddwn ni'n gorffen gyda'r farchnad sengl, os ydym yn gorffen yn y farchnad sengl, a pha strwythur sydd gyda ni mewn lle wedyn i fynd ymlaen am y flwyddyn neu ddwy nesaf. O ran y ffaith yr ydym ni'n siarad am Seland Newydd, neu siarad am Awstralia; wrth gwrs, nid ydym ni'n glir eto p'un ai cwota efo Ewrop ydy e neu gwota efo Prydain. Byddai Ewrop yn dweud, 'Wel, cwota Prydain oedd e, ac aethoch chi mewn ag e i'r farchnad sengl pan ddaethoch chi'n aelod o'r farchnad sengl, ac wedyn chi sy'n gyfrifol am y cwota yna. Pan fyddwch chi'n gadael y farchnad sengl, bydd y cwota yna yn dod gyda

pessimistic, but in moving forward from that, you have been putting an emphasis on the problems caused by the tariffs, for example. You also mentioned a little about the other way of looking at the problem—rather than looking at it in terms of the restrictions regarding the tariffs, looking at what we can do to stop the cheap imports coming in in the first place. So, that's another view of the same problem, isn't it? Perhaps if we could concentrate on that, and what measures it might be possible for us to use, and whether there's anything specific in Wales that we could be concentrating on in relation to measures to protect and strengthen our market locally.

Mr D. Davies: Well, the picture I'm painting is on the first day when we finish with the single market, if we do that, and what structures we have in place to carry on for the next couple of years. The fact that we're talking about New Zealand or about Australia; of course, it's not clear yet whether it's going to be a quota with Europe or a quota with Britain. Europe would say, 'Well, it was a British quota, and then you took it into the single market when you became a member of the single market, and therefore you're responsible for that quota. When you leave the single market, that quota will return with you to this country.'

chi nôl i'r wlad hon.'

[106] Os bydd hynny'n digwydd, wrth gwrs, bydd dwywaith gymaint o wŷyn Seland Newydd yn dod mewn yma ar y diwrnod cyntaf na sydd wedi bod yn dod mewn yma yn hanesyddol, ac mae hynny'n broblem enfawr i ni. Beth byddem ni'n dweud, wrth gwrs, yw pan maen nhw'n trafod y pethau yma, gadewch y cwota yn Ewrop, ac os ydych chi eisiau trafod wŷyn o Seland Newydd yn dod mewn, ie, gallwch ei drafod e, ond peidiwch â gadael iddo ddod mewn ar y diwrnod cyntaf, fel bod lle i ni werthu rhai o'n hŵyn sydd wedi dod nôl o'r farchnad Ewropeaidd ym Mhrydain. Byddwn ni hefyd yn dweud, ar y diwrnod cyntaf, os oes yna dariffau a lefi yn erbyn ein cynnyrch ni yn Ewrop, mae'n rhaid i'r un tariffau a lefi fod mewn lle ym Mhrydain er mwyn sicrhau nad oes yna ddim cynnyrch yn dod i mewn o dde Iwerddon, fel ein bod ni'n gallu gwerthu ein cig eidion a'n bîff ni gartref.

If that does happen, of course, then twice as much of New Zealand lamb will come in on the first day as has been coming in here historically, and that is a huge problem for us. What I would say is, when they discuss these issues, leave the quota in Europe, and if you need to discuss New Zealand lamb coming in then, yes, discuss it, but don't leave it to come in on the first day, so that we can sell some of our lamb that has come back from the European market back in Britain. I would also say, on the first day, that if there are tariffs and levies against our products in Europe then the same tariffs have to be in place in Britain in order to ensure that produce doesn't come in from southern Ireland, so that we can sell our beef at home.

[107] **Mark Reckless:** Thank you. Huw.

[108] **Huw Irranca-Davies:** Thank you. Stephen, can I just take you back to your comment a moment ago where you talked about other countries' approach to the environmental agenda, and what they do, and the lower standards and so on? Just to clarify—and I'm sure you're not—you're not suggesting we should chase them.

[109] **Mr James:** Well, to compete with them, we'd have to chase them.

[110] **Huw Irranca-Davies:** Are you suggesting we should chase them, and we should lime the uplands?

[111] **Mr James:** No. I've said that farmers are—. You know, Tir Gofal was oversubscribed. The previous scheme, Glastir, was as well. So farmers want to be involved in the environment. Guto Davies farms on the edge of Snowdonia and he's got cattle and sheep mixing, and they've increased their lapwing numbers up there. He's very proud of that. He farms a National Trust farm.

[112] **Huw Irranca-Davies:** So that's the approach you'd prefer to see, rather than chasing a diminution of the landscape, the environmental qualities and the ecosystems. You want to maintain what we've got, and perhaps do even better.

[113] **Mr James:** We maintain it, but we target it as well. I've not been involved in Glastir myself because I objected to fencing off good grassland to have habitat and nettles. I can grow nettles no problem at all, but I don't need—. We want to maximise what we can farm, because going forward, with the increased world population, it may be a challenge for us in the UK—

[114] **Huw Irranca-Davies:** But I'm not clear, Stephen, on what you're saying here, because—

[115] **Mr James:** There are targeted areas for environment. Those farmers that want to earn their income from environmental—you know, from income forgone—that's what Glastir and Tir Gofal have done over the years. We did get involved in Tir Cynnal. We've got about 30 to 40 acres of woodland that we don't infect. I believe that habitat—. In fact, the Farming and Wildlife Advisory Group did a report for me about 10 years ago, and if you read that report you'd think I was very much into the environment, because the hedges we've got are in a good condition, and we do it without any payments.

[116] **Huw Irranca-Davies:** So in a post-Brexit environment, let alone the transition, how do the uplands in Wales look?

[117] **Mr James:** Well, if we lose that lamb market and there are no support payments, it will be wilderness, I would suggest, as communities will disappear.

[118] **Huw Irranca-Davies:** Okay, so lamb is important. I was just curious about the other things, because you mentioned that they're quite radical departures there, such as changing the soil basis of the uplands, and so on.

Let me park that for a moment. Could I, Arfon, ask you: what is your view post Brexit on public money for public goods?

[119] **Mr Williams:** I'm going to try and answer a number of questions there, because of the points that Stephen's made. I think the whole conversation there was about commodities and marketing, and marketing a very narrow group of commodities; we're talking about red meat here. There are lots of figures given for the food industry and the red meat industry. I've looked into this, and going back to the national ecosystem assessment, there were a few figures there that jumped out at me from the national ecosystem assessment. They're a bit old now—they're going back to 2010—but the assessment gave the value for food from Welsh agriculture as £240 million. So, that was the value of food from Welsh agriculture. The same assessment gives the value of wildlife-related activities in Wales as £1.9 billion. It gives the value of the environment as £9 billion, and that's degraded environment.

[120] So, there's a real risk here that we maintain a very narrow focus on what the value is and what we should be doing with Wales going forward. And if it's presented as being about economics, I'm afraid the economics would kind of favour not this side of the table, but the side of the table that's more about the environment and sustainability, and managing Wales in a wholly different way—

[121] **Huw Irranca-Davies:** Arfon, listen, I'm definitely going to come straight back to you, with the leeway of the chairman, but the advantage of having you all here at the same time is: what is your response, Dai or Stephen, to that—the value of wildlife and the value of ecosystems as a trump card, if you like, in terms of food production?

[122] **Mr James:** I'm not quite sure. I've asked Arfon this before. He did point me to a website, but I've never actually gone on to it to see how that value was—. I assume that it was in tourism, or—. It's not all in benefits, because what we're talking about is—you know, I said to you about cattle farming in Snowdonia. Therefore, you're getting food to it, and you're also getting environmental benefits. I've been there, so I know it's happening. But I'm not quite sure how you do the calculation, Arfon; I'm not sure if we've got long enough—*[Inaudible.]* But I still think it's a mix; that we want food and environment to go together.

[123] **Huw Irranca-Davies:** Let me come back to Arfon, because one of the key things that I've picked up from this whole discussion right up to this

point is there is a sort of overlap of objectives, as we look at what the environmental imperatives might be and what the food production might be, and, actually, both of them are important. I'm not clear from this morning what direction you would want to go in on this post Brexit—whether it is more deregulatory, more stripping out, more focused on the food production, as we were talking about pillar 1, pillar 2 or pillar nothing. So, I'm going to come back to Arfon: what's your idea post Brexit of how—? And I want to come to wilding in a moment, which is a controversial issue—

[124] **Mark Reckless:** Huw, if we may, if we can integrate the rewilding into this question, please.

[125] **Huw Irranca-Davies:** Well, perhaps if you could do that as well. What's your vision post Brexit of the way that we should focus the scarce public resource that goes into environment, agriculture, food production, farming and landscape?

[126] **Mr Williams:** A nice simple one to end up on, then. I think what we're looking for post Brexit is a Wales that has recovered functioning ecosystems and ecology. So, we're looking to repair environmental damage. We're looking to get those ecosystems functioning again. We're looking to maintain sustainable land management. Sustainable land management can be farming—it can be sustainable farming—and I think when we hark back to the visit we had up in north Wales, what we're talking about there are extensive farming systems that, through the use of farming practices, are creating ecosystems and landscapes that are full of life, and that manage natural resources in a way that benefits society. So, this is a kind of circular economy, with public money being used to support land management in a way that benefits society, but it just so happens in there that the tools of the trade are farming, and that therefore then creates a saleable commodity. That then should be—we should be using the credentials of sustainability to market that, but we've also got other markets that we need to develop as well. In doing that, we then should be looking at markets for landscape, for water and for carbon. We should be looking at bundles of economies, and I think the all-the-eggs-in-one-basket approach here leaves that approach hugely vulnerable, especially when it comes to competitive—and what we're talking about here are, kind of, domestic markets in lots of ways: domestic markets for water, domestic markets for landscapes.

10:45

[127] On the rewilding thing, I could probably answer this question very shortly or I could spend all day doing it, so I'll do the short thing.

[128] **Mark Reckless:** Thank you.

[129] **Mr Williams:** I think it's something that's emotive and it's poorly understood. We're now starting to define what 'rewilding' means. There's a danger that rewilding is seen as abandonment, but I think, basically, rewilding is putting back that ecosystem functionality into the landscape. It'll probably have to operate on quite a large landscape if we want it to benefit wildlife and for it to benefit natural resources. In some cases, it may be appropriate to move to passive management systems, where you let that then develop. Typically, I think it'll probably involve people and I think there will be places where it's not appropriate and when you're looking to support high nature value farming, for all the wider benefits it secures, you don't want that then going down a rewilding process, you want to support high nature value farming or sustainable farming.

[130] **Huw Irranca-Davies:** So, Stephen, wilding—it's a complete waste of time for farming.

[131] **Mr James:** Well, yesterday, I was in a meeting talking about beavers, and beavers are—I understand that they've been given a protection, because they've been accepted in Scotland. This was the discussion that we had yesterday—because they've now been protected in Scotland, that means they're protected across the whole of the UK. This is what we're told. They can have an effect, through building their own dams and all that sort of stuff, so that's an issue we've talked about.

[132] I think George Monbiot talked about wolves, and I'm sure that will have an impact on access to the countryside, and I'm sure in Machynlleth—I think, George Monbiot lives not far from there. I'm pretty sure that the wolves, because we can't leave fallen stock out there to feed them, would either go for the live ones, or they'd be going for the bins in the streets of Machynlleth. So, I have an issue with wolves. I think he talked about Romania and those sorts of countries. There's a vast area—you know, Romania is a lot bigger than Wales.

[133] But I don't disagree with some of it—you know, carbon trading and all that sort of stuff—but I think there's got to be a mix. There's got to be a mix of environment and food, because food, back to the seven pillars, delivers

not just for us as farmers, it delivers for a wider economy. It delivers in St Merryn. The plant that they've got there employs 3,000 people. That delivers for the economy of Merthyr Tydfil as well as the countryside. So, we mustn't forget that as well—the whole process, the food and drink industry, and that's what agriculture is a part of.

[134] **Mark Reckless:** Thank you. Could I go to Jenny for a question, and I'll go to Jayne to wind up the panel?

[135] **Jenny Rathbone:** Okay, finally—[*Inaudible.*—]—of antibiotic resistance, which is a major public health issue, what conversations have you been having with the UK Government to prevent our market being flooded with GM growth hormones meat that is also going to be doused in a load of antibiotics? I mean, there needs—. You know, in terms of ensuring that—

[136] **Mr D. Davies:** Could I wear two hats here, one about marketing red meat and the other as a member of the animal health and welfare framework group as well? As far as the antibiotics are concerned, what we need to do is to scrutinise the use of antibiotics and to target it at specific needs for animals that actually produce red meat. I think the only danger is, of course, that we get dragged into intensive farming, and the level of antibiotics that have traditionally been used as far as poultry is concerned and as far as pigs are concerned, where you have the blanket use of antibiotics to suppress certain diseases. Admittedly, as far as some of the management practices in Wales are concerned, and I hope that people have seen the likes of them—when you actually housed ewes in the autumn, quite a lot of farmers would use antibiotics at one stage to try and suppress pneumonias and certain other diseases, but, hopefully, we have moved away from there. Because, if we're going to use our credentials in Wales as the green grass and the extensive system that we have in Wales for marketing our products abroad, it's so important that we address the issues as far as antibiotics are concerned.

[137] **Jenny Rathbone:** So, what conversations have you had with the UK Government around ensuring that the UK market isn't flooded with cheap meat that doesn't meet our requirements, both in terms of animal welfare and in terms of the quality of the meat for human consumption?

[138] **Mr D. Davies:** Well, hence, I said at the start, we cannot have a bonfire of the rules and regulations, and the regulations from Europe would suppress the majority of those that you've already mentioned, provided we

implement them as far as the UK is concerned. But of course, those rules could be eroded as time goes on, as we implement our own and change things, allowing GM to be grown more freely in the UK, allowing growth hormones to come in from the States. At the moment, imports of beef from the States are allowed, provided growth hormone hasn't been used. One of the issues that I have as far as shelf life is concerned—the States have managed to extend their shelf life by, of course, washing their meat in citric acid. Do we want to go down that route as far as Wales is concerned?

[139] **Jenny Rathbone:** So, is this a conversation you've had with the UK Government, because this is a really important issue for the consumer?

[140] **Mr James:** Absolutely. We're having that conversation and that's why we're saying that imports must be to the same standards, whether they're environmental or animal health. That's a conversation we're having.

[141] **Mark Reckless:** Thank you. Finally, can I bring in Jayne Bryant?

[142] **Jayne Bryant:** Thank you, Chair. Apologies, Chair, and to the panel, for not being here at the start, but I'd just like to go back to David's line of questioning earlier on around trade. The EU protected food names scheme I think has been a fantastic success, such as Halen Môn, Pembrokeshire early potatoes, Welsh beef and Welsh lamb. What are your views on the implications and the potential to lose those protections?

[143] **Mr D. Davies:** As far as protected geographical indication is concerned, it's been a major part of the Welsh lamb and Welsh beef brands, and it's made sure that, unless you reach certain standards and you operate within certain restrictions, you're not allowed to use the brand of 'Welsh lamb' or 'Welsh beef'. As far as the PGI is concerned, which I know more about than protected designation of origin and so forth, I don't think we would have had the success of exporting into Europe if we didn't have the use of the PGI.

[144] Looking to the future, hopefully we might be able to hang on to our PGI, but we need clarification. I know in countries such as Colombia, where the import or export of coffee into the EU is concerned, they're allowed to use the PGI. I remember when I was sitting in a committee in Brussels some time ago, there were other third member countries that were seeking to use PGIs and PDOs. So, there's no reason, with goodwill, that we can't maintain it. If Welsh Government—and the UK Government for that matter—see that there is no way forward, they need to be developing a similar brand or a

similar standard for us to use sooner rather than later. Because if that is the case, we need to be giving this new logo or new brand publicity now, so that when we leave the European market, people will be familiar with it.

[145] As far as the PGI is concerned, Welsh lamb, Welsh beef and Hybu Cig Cymru in particular have benefitted tremendously, because over the last six years, we've had £0.5 million from the EU to help promote PGI, because they saw PGI Welsh lamb and Welsh beef as a flagship for PGI in Europe, so they were willing and prepared to give us this money to promote PGI further. In countries such as Italy, especially, PGI is vital if you want to get into that market.

[146] **Jayne Bryant:** I appreciate you clarifying that. It's really put—

[147] **Mr James:** They voted Welsh lamb product of the year last year, so that was an interesting one.

[148] **Jayne Bryant:** Just coming quickly on to Welsh lamb, actually, the committee has heard evidence from the Elan Valley Tenants Association and Fairness for the Uplands, who said that there should be better promotion of smaller mountain lambs. What are your views on that?

[149] **Mr D. Davies:** Yes, light lambs have become a problem. Light lambs are what we classify, as far as carcass weight is concerned, as anything below 14 kg. Ideally, the carcass weight for lamb is between 18 and 21 kg. So, that's the window, and as far as multiple retailers are concerned, they insist that that's the window, whether it's New Zealand lamb, Welsh lamb or lamb from anywhere else—that's the carcass weight they demand.

[150] Historically, we were able to sell light lambs to the Mediterranean areas in carcass form, but, of course, I don't have to tell you that, as far as the recession is concerned, it seems to have hit those countries worse than any other. I mean, Greece is out of the picture altogether, southern Italy doesn't buy as much, and Portugal and parts of Spain as well.

[151] Also, things have changed in the fact that Romania and Bulgaria have joined the single market and, of course, they produce light lambs. For example, back in July, you could buy lambs in southern Italy from Bulgaria for £2.80 a kilo, whereas our exporters, to get lamb out there, they needed £4 per kilo. Of course, after the referendum now we've seen a bit of a lowering of the valuing of the pound, our processors are now able to get

lamb out there for £3.20 or £3.30. So we're back in that market, we're competitive again and the PGI status that we have got is helping us into the market, and I think it's taken a little bit of pressure off the light lambs.

[152] As far as the issues that we have to remember—of course, with light lambs, it costs just as much to process a light lamb as a standard lamb. Historically, we could get probably £8 or £9 for the skin of a standard lamb, and you'd get £5 for a small skin. These days you'll only get £2 or £3 for the skin of a large lamb, whereas you'd get nothing for the skin of a small lamb; you have to actually pay for disposing it. We are setting up a task and finish group this spring, chaired by HCC. There will be stakeholders from across industry as well as Welsh Government to look at ways and means of working with Welsh lamb producers—and about 15 per cent of Welsh lamb is classified as Welsh lamb—to see if we can use genetics to grow bigger lambs, if we can see ways of perhaps changing the management of some of these hill farms, because some of the management of the hill farms is a roll-over from the headage payments, where the more sheep you kept, the greater your single payment would have been. But, of course, we've moved away from there and we need to be adapting management to reflect that.

[153] We're also working to see if we can use small Welsh lambs for ready meals. The problem with trying to retail very small lambs is, if you have a packet in a multiple retailer, it looks very, very small; two small chops don't look very impressive, whereas with a 22 kg lamb they look far, far more impressive. So, this group is going to work to see if we can work with farmers producing Welsh lamb to see if we can improve the situation.

[154] **Mark Reckless:** Jenny, very quickly.

[155] **Jenny Rathbone:** All this is based on the assumption that bigger is better, when, actually, what the consumer wants is, 'Does it taste good?' And it seems to me that the smaller ones, as in many species, are the better, tastier ones.

[156] **Mr D. Davies:** Consumer is always king.

[157] **Jenny Rathbone:** Well, is the consumer going to be represented in your inquiry?

[158] **Mr D. Davies:** Well, the multiple retailers demand what the consumer wants—

[159] **Jenny Rathbone:** Forget the multiple retailers, they've led us down very false paths.

[160] **Mr D. Davies:** Yes, but in reality, I go on holiday sometimes—when people persuade me to, or I get my arm twisted—and I go to places such as Spain, and you end up with a chop and, really, you haven't got any meat on it at all, apart from the bone. As far as a consumer going into a retailer is concerned, if you can see a juicy chop with a nice eye muscle, it draws the consumer to it and, you know—

[161] **Jenny Rathbone:** Okay. There's obviously a massive education task here.

[162] **Mark Reckless:** Certainly, on our visit to the uplands we met many farmers who believe that the quality of those smaller upland lambs and the taste of them was better. We heard great arguments from them as to why they should better marketed, and perhaps the committee can just ask you to work with them and to see what further scope there may be for seeking, perhaps, to market on a premium basis.

[163] In terms of the time we've had, I'm very grateful for everyone's input. I'm sorry we haven't had time to delve deeper, but we appreciate very much the written evidence and previous interaction we've had with you. Thank you all very much. We'll have a very, very short break until 11:05. Thank you.

[164] **Mr James:** We appreciate the opportunity.

[165] **Mr D. Davies:** Yes, thank you very much indeed.

*Gohiriwyd y cyfarfod rhwng 10:59 a 11:07.
The meeting adjourned between 10:59 and 11:07.*

**Ymchwiliad i Ddyfodol Polisiâu Amaethyddol a Datblygu Gwledig yng
Nghymru—Twristiaeth a Hygyrchedd
Inquiry into the Future of Agricultural and Rural Development Policies
in Wales—Tourism and Access**

[166] **Mark Reckless:** Bore da—good morning. Welcome to our second panel of the day. Should it be needed, translation's available on channel 1. I'm very

grateful for your coming. I have been told that our predecessor committee hadn't had the degree of interaction with the Ramblers, so we're very, very pleased now to have that. I wondered whether I could start from the different perspectives of your—*[Interruption.]* Ah, sorry, if I could just go to Huw for a declaration of interest.

[167] **Huw Irranca-Davies:** Sorry, Chair, just to remind the committee of my register of interests as vice-president and long history with Ramblers Cymru—current vice-president, but, of course, that doesn't interfere with my exemplary unbiased interrogation as part of this inquiry overall. Just so that it's on record.

[168] **Mark Reckless:** Thank you. If I could commence by asking you: the European agricultural regime and the degree of subsidy, or the suggested support payments payable, have had a very, very significant impact on the Welsh rural landscape. I just wondered, from the perspective of those you represent, or seek to promote Wales to, what sort of landscape do tourists and ramblers want to see? What attracts them to Wales, or might attract them more in the future? Who would like to start?

[169] **Ms Charlton:** I think one of the most important things is that, obviously, we do have a beautiful landscape and environment, but we need to be able to get around it fairly easily. People need to be signposted and directed through the landscape. They need to be made aware of what makes and constitutes the landscape that they're walking through. So, certainly for walkers, that ease of travel and the knowledge of being able to know where they can go, and also what their rights and responsibilities might be whilst en route, is quite important to those who wish to enjoy Wales.

[170] **Mr Barsby:** Obviously, I'd reiterate that. I guess in addition to that are a range of services, different types of accommodation, different types of villages, a living countryside where culture, the farming, the industries that support the farms, agriculture—so, proper dry-stone walling, the cheeses, the foods, the arts and culture. As I say, it's living, so it's different from other areas of the United Kingdom and other areas of the world. The key thing is making sure that there's accessibility. I think that's probably where we have some weaknesses that need to be overcome. We've got great culture, we've got great, unique countryside and peoples and culture but sometimes it's difficult to get there. It's difficult for the people who live there to go to and from their work as well. So, I think the infrastructure and linkage is crucial.

[171] **Ms Charlton:** I would totally agree with that.

[172] **Mark Reckless:** Taking the uplands specifically, the sheep and lamb farming that we have, some of the particular projects and grants that, say, would pay for the stone walls and the maintenance and development of those, if that money were to not be available or to be available to a lesser extent, and if we were to see some of that landscape become commercial forestry, if we were to see other parts of that landscape revert to wilderness in some concept, what impact, positive or negative, do you think that would have on tourists and ramblers and their desire to visit?

[173] **Mr Barsby:** I suppose the model that I would ask you to consider is something called Cittaslow, which you may or may not have heard of. Cittaslow doesn't just look at saying, 'Let's have organic foods', it looks at the whole infrastructure. So, if a particular area has been celebrating in arable lands then there will be all kinds of associated industries that have built up around that, all kinds of different ways of cultures and festivals that are used to celebrate that. So, it looks at the broader—. So, going back to your point regarding dry-stone walls, if the dry-stone walls disappeared, it wouldn't just be the walls that disappeared, it would be, if you like, the very heart of what is different and unique and it would take away several layers of why people would want to live there, why people would want to visit.

[174] **Ms Charlton:** I think by having the variety of landscape that you have it's always interesting for walkers and it all tells the story. Whether it tells the story about our wood production, there is still room for people to be able to move about freely because that's what people want to do and they want to experience our heritage, nobody else's heritage. They want to experience the Welsh local heritage and if that's dry-stone walling, different types of stiles that are relevant to that county, they're the kinds of things they'd like to see. Also, I think what's important when we talk about dry-stone walling and other features is that there's a great skills opportunity there that volunteers who walk and also do a lot of volunteering on the networks would have the opportunity to engage in.

[175] **Mark Reckless:** You referred to variety: would some shift away from sheep farming towards a greater degree of, say, forestation, while keeping a substantial part of sheep farming and dry-stone walls—would that change be something that would put off ramblers, or is it a question of degree?

[176] **Ms Charlton:** I think it would be degree and the size of Wales and the size of the forest that's actually there. So, if you look at Grizedale, for example, that's one of the biggest man-made forests in England and actually has developed sculpture trails, et cetera. The balance is between the landscape that you have and the wildlife that you might have lost because of that. This whole thing is all about balance and patchwork. We are a very small country and that needs always to be minded but also bearing in mind that there are economics to be considered: economics of people who visit the area. If they visit because the sheep are of value to them, the farming landscape is of value because it has that Welsh heritage, then actually there's a financial benefit to going down that route. With forestry, we know that with outdoor recreation there are opportunities there as well so I think all that would need to be considered.

[177] **Mark Reckless:** Thank you. Can I bring in Sian?

<p>[178] Sian Gwenllian: Diolch yn fawr iawn. Mae yna gyfle, wrth gwrs, i greu polisiau—. Mae yna gyfle newydd yn sgil gadael yr Undeb Ewropeaidd i greu polisiau rheoli tir newydd ar gyfer Cymru a Phrydain. Beth ydych chi'n ei weld fel yr heriau yn sgil hynny a beth ydy'r cyfleon ar gyfer twristiaeth? A oes yna enghreifftiau lle mae yna gydweithio llwyddiannus wedi bod ar lefel ryngwladol o ran yr amgylchedd, twristiaeth ac amaeth yn dod at ei gilydd?</p>	<p>Sian Gwenllian: Thank you very much. There is an opportunity, of course, to create policies—. There is a new opportunity as a result of leaving the European Union to create new land management policies for Wales and for Britain. What do you see as being the challenges in relation to that and what are the opportunities for tourism? Are there any examples of where collaboration has taken place successfully on an international level in terms of the environment, tourism and agriculture coming together?</p>
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11:15

[179] **Mr Barsby:** I think the best example I could ask you to look at is something called IQM, integrated quality management. It's a series of three documents—rural tourism, coastal tourism and urban tourism. Each document has 18 case studies along the lines you're talking about. So, you have got, in Scotland, the Trossachs, and, all throughout Denmark and other European countries, looking at what is unique about a particular area and making sure that all sectors aren't just looking at it from a tourism

perspective, but look at it from education, look at it from the industrial elements and farming as well. So, there's a whole body of work in and around IQM.

[180] **Sian Gwenllian:** And does the need for Wales to have a new policy around land management, does it offer opportunities for us to be developing along those lines, do you think?

[181] **Mr Barsby:** Absolutely. I think there is some work already in situ. So, we've got in Wales 22 destination partnerships, replicating the local authority areas. There's a question maybe as to whether they are funded well enough to actually impact on the destination, and the impact of how to manage the visitor. But, I think, as a template, it is probably okay. It would probably need to be funded a lot more than it is at the moment.

[182] **Sian Gwenllian:** Is there room within a new payment system for payments to farmers to allow access on to land, and those sorts of examples?

[183] **Ms Charlton:** So, the current situation is that, unlike England, we don't have cross-compliance in Wales. We have the opportunity through Glastir for farmers to take up permissive paths. These permissive paths are supported, but actually may often be erected without any connection to community need or use or tourism use. They could be a path that actually is not making quite that much sense. So, what we would like to see is going down the route more of England, which is more of the cross-compliance to help us actually deal with the network that we currently have, which isn't being as supported as it should be, and that's across all areas. So, that is an opportunity that we see that Wales has to actually improve on that. As I mentioned earlier, the reason that we'd want to see that is also that promotion of the paths and the network is something that would actually be really, really key. It has come out through our 2015 Big Pathwatch survey that we did recently. We sometimes get told, 'Well, people don't use that path.' Well, people don't know about the path. It's not been promoted and it's not being cared for. So, those things need to be considered.

[184] **Sian Gwenllian:** So, your emphasis would be on promoting the rights that are there already rather than expanding.

[185] **Ms Charlton:** Absolutely. Yes, because we're already not supporting—. We're under 50 per cent supporting what we currently have, and there are

some great heritage routes out there that tell the story of Wales, whether they're drovers' routes or others, that are being left to disappear.

[186] **Mr Barsby:** I think continuity of funding as well—so, once the path's been created, there's funding to maintain it.

[187] **Mark Reckless:** I'll bring in Jenny and then Simon.

[188] **Jenny Rathbone:** Could you explain why we didn't implement cross-compliance in the last round? It seems to me to be such a crucial issue. How did you enable the Government to get away with that?

[189] **Ms Charlton:** We probably weren't strong enough at the time. The reason that Wales chose not to was because they said that the online mapping across the whole of Wales wasn't consistent or strong enough. That was the reason that they were given. It's not in England either, but England have still gone with cross-compliance.

[190] **Jenny Rathbone:** Okay, so, what was it that meant that you had such an outstanding defeat on this matter, which is absolutely essential?

[191] **Ms Charlton:** I wouldn't be able to say, but I could certainly refer back to you, going back to my colleagues.

[192] **Jenny Rathbone:** Okay. So, have you had conversations at all with Welsh Government about ensuring that, whatever conditions we put on support for agriculture, we ensure that this is embedded?

[193] **Ms Charlton:** Yes. So, we did launch our manifesto here in the Senedd, in which that is one of our asks to Welsh Government, and we have as many conversations as we can to reiterate, as do our members locally with their local representatives from Welsh Government. We keep asking for it.

[194] **Jenny Rathbone:** Okay. So, if we implemented the right to roam, would that be sufficient? You're saying that's not sufficient to enable people to enjoy historic routes. You've also got to incentivise people to maintain these paths.

[195] **Ms Charlton:** Yes.

[196] **Mark Reckless:** I'll bring in Simon now. Thank you.

[197] **Simon Thomas:** Diolch. Rwy'n credu ein bod ni efallai mewn trafferth o fynd oddi ar y llwybr ac i mewn i'r gors yn fan hyn. I ganolbwyntio ar beth allwn ni wneud o hyn ymlaen, mae'n wir i ddweud nad oes *cross-compliance* wedi bod yng Nghymru. Ond, fel rydych chi newydd grybwyll, mae Glastir wedi cael ei ddefnyddio yng Nghymru er mwyn hyrwyddo llwybrau. Beth bynnag, mae'r taliad fferm sengl yn mynd. Rydym ni'n gadael yr Undeb Ewropeaidd. Anghofiwch am hynny—nid ydym ni'n mynd i gael hynny bellach. Bydd system newydd yn gorfod cael ei datblygu yng Nghymru a fydd yn cydnabod amaeth a'r amgylchedd.

[198] Felly, yn y cyd-destun hwnnw, beth sydd gyda ni yng Nghymru, sydd ddim yn Lloegr, ydy'r Ddeddf Llesiant cenedlaethau'r dyfodol a'r Ddeddf trafniadaeth gynaliadwy, sydd yn mapio llwybrau ar gyfer cymunedau lleol ac mae'r awdurdodau lleol fod yn adeiladu ar sail hynny. Felly, y cwestiwn yw: beth allwn ni ei wneud nawr gyda'r ddeddfwriaeth sydd gyda ni eisoes yn ei lle a'r posibiliad o gydweithio gyda chymunedau ffermio drwy systemau cefnogi newydd i sicrhau bod y llwybrau yno yn agored i dwristiaid hefyd, ac yn agored i'r bobl leol eu defnyddio, achos yn aml iawn maen nhw'n ffyrdd amgen o fynd o gwmpas ac yn ffyrdd mwy diogel o fynd o gwmpas y gymuned?

Simon Thomas: Thank you. I think maybe we're in danger of straying from the path here. To focus on what we can do in the future, it is true to say that there hasn't been cross-compliance in Wales. But, as you've just mentioned, Glastir has been used in Wales to promote pathways. In any case, the single farm payment is going. We are leaving the European Union. Forget about that—we are not going to get that any more. A new system will have to be developed in Wales that recognises agriculture and the environment.

In that context, what we have in Wales, and they don't have in England, is the well-being of future generations Act and the active travel Act, which maps pathways for local communities and local authorities are supposed to be building on that basis. So, the question is: what can we do now with the legislation that we have in place and the possibility of collaboration with farming communities through new support systems to ensure that the pathways are open to tourists but are also open to local people to enjoy, because very often they are alternative ways of travelling around and safer ways of travelling around the community?

[199] **Ms Charlton:** I think what's happening in Wales is that things, from our point of view, are not joined up. So, we have the rights-of-way implementation plans, we have local access forums, we have Glastir, and none of these are talking to each other. So, I think what we need to do is find a way of actually pulling it all together. You're quite right about the future generations Act. We have a great resource in the community councils, which Ramblers Cymru are doing a lot of work with currently, because they actually have powers as well to engage. I think we need all parties around the table looking at the best way of actually delivering the best access infrastructure for Wales through those systems.

[200] **Simon Thomas:** Can I just specifically ask about tourism, related to that? Do you think tourism businesses in Wales also do enough to promote access in terms of making that information available to people who visit Wales?

[201] **Mr Barsby:** I guess any business can always improve, but, broadly speaking, the reason—. Tourism businesses promote everything there is to do in a particular area, small or large. So, yes, I think that they do. I think where they're disadvantaged is that—. Predominantly, in Wales, it's microbusinesses—it's two or three people in a business. Their ability to work as a cluster to market directly to their chosen segment is somewhat inhibited. I think, again, it's why—. On a broader issue, perhaps if Visit Wales was funded with greater funds, it could overcome that, particularly when you see that Scotland gets around £40 million per year, Ireland gets around £25 million a year and Visit England has just had another £40 million on top of everything else. So, we do need, in Wales, to have more resources so that we can compete for our fair share.

[202] **Simon Thomas:** There is a little bit extra in the budget this year, I've got to just say. There is a little bit this year, isn't there? I just wondered if that went some way along.

[203] **Mr Barsby:** All donations are gratefully received. However, I think we need to keep it in context and say that it's not just asking for it for the sake of it, but it is the dynamics. It's difficult to get to and they're very small businesses in the first place. So, even if they do come together, their ability to have the resources to make a difference to the target markets is somewhat restricted.

[204] **Mark Reckless:** In that context, can you just give us a number, compared to those £20 million and £40 million comparisons you have given?

[205] **Mr Barsby:** In 2014, Visit Wales's spend was around £7 million. So, it's considerably less.

[206] **Mark Reckless:** Do you have anything further, Simon?

[207] **Simon Thomas:** No.

[208] **Mark Reckless:** Huw.

[209] **Huw Irranca-Davies:** A very small follow-up: what are your thoughts, going forward, on the obligations on landowners to maintain their own paths?

[210] **Ms Charlton:** It is a statutory requirement that these paths need to be maintained, and we have given many reasons why that doesn't happen. I do think it is their obligation to make sure that those pathways are maintained. The benefit that, quite often, landowners get from people actually passing through their land, and the local economy benefiting from the ability of people to pass through and see and experience, is a beneficial one.

[211] **Huw Irranca-Davies:** So, in a post-Brexit landscape, because, clearly, the implication of what you've been saying up to this point is that we're not maintaining the whole pathway, whether its local authority issues on resourcing, or whether its landowners, or whatever—so, in a post-Brexit landscape, are you happy it carries on as it is, or would you prefer to see more stringent enforcement of maintaining access?

[212] **Ms Charlton:** More stringent.

[213] **Huw Irranca-Davies:** In what ways?

[214] **Ms Charlton:** Well, at the moment, it's very difficult because we don't even know, particularly within Glastir, where these routes are, because the mapping is so ineffective and it's not out there, that we can't actually—. I do know some of our members have, in fact, been able to enforce through Glastir—so, if you are receiving payments to maintain paths. So, if we had cross-compliance, we would then be able to help reinforce that, which is the sort of route we're suggesting that we go down—if that helps.

[215] **Huw Irranca-Davies:** Okay.

[216] **Jenny Rathbone:** But how dependent is freedom to roam, to make this a reality? Because there's no point in paying somebody to maintain a path if nobody can then get onto it.

[217] **Ms Charlton:** So, with regard to the freedom to roam, we're talking about the Countryside and Rights of Way Act 2000 and we're talking about the open access that currently exists, and not about the potential future for a wider freedom to roam—or are we talking about the wider potential?

[218] **Jenny Rathbone:** Well, we're trying to find out what your view is as to what should be in any conditions attached to any future payments to farmers.

[219] **Ms Charlton:** So, I think it would be the open access that is, that that is sort of statutory—it is out there. It is actually the networks that we are most concerned about. It's actually the ability to move around those networks, to have those maintained and open, and signposted and promoted, and I think that needs to be part of any payments that go out, that need to be delivered.

[220] **Jenny Rathbone:** Okay, so, do you think we need the Scottish law that enforces the freedom to roam?

[221] **Ms Charlton:** So, that's the next phase. So, if we go down the Scottish route, we still need to have those networks maintained, and they still need to be supported. And I think there may even be a third way, where, actually, we have the local authorities, the landowners and third sector or business sectors all pulling together, because the benefit is to such a wide audience that we should all be working on those networks together. If we move to a sort of Scottish-style approach, we still need those routes, although, if we're looking at farmland, the ability not to have to walk across a ploughed field, but to be able to walk round the edge will be there, which would benefit everybody.

[222] **Jenny Rathbone:** So, are you advocating that we adopt the Scottish freedom to roam or not?

[223] **Ms Charlton:** Yes. Ramblers Cymru are calling for the freedom to roam—a Scottish-style access. We think it's very complicated for us to be

able to reach that, but we think the benefits certainly that Scotland is receiving are wide-reaching. It would help us within our communities. So, if we look at our community's ability to move around, our needs change. We're losing our social cohesion. If we had the ability to develop routes, which is what happens—it certainly happens where I live—Scottish-style access would allow us to do that, to move more freely and to create networks and paths that suit those people and those communities at that point in time. That's not to say that we should lose the current networks, because the current networks are there and they tell a story, particularly those historic routes—those routes that we actually could be losing.

[224] So, I think there's a lot of work to be done at a number of different levels. With Scottish-style access, I think the ability to link up communities—another example would be in the Neath valley, for example; if you looked at Ynysarwed up to Resolven, you can no longer walk along the side of that river, because it isn't a public footpath, which means it's just broken up two communities. If we had Scottish-style access, the ability to walk along the river would be there. The ability to be able to walk into woodland would be there, which, in some instances, you can't do. So, our young people, our children, aren't accessing, sometimes, the environment and the countryside they have a right to. Will they ever see an otter, for example, if they can't access rivers? So, it would give us all of the ability to do that.

[225] **Simon Thomas:** Can I just—? Sorry, I'm slightly confused.

[226] **Ms Charlton:** Oh, right, sorry.

[227] **Simon Thomas:** I'm just trying to get some sense of priorities here. You've talked a lot about the current network, and you've talked a lot about them in terms of the historic, and, you know, from the footpaths that I walk and I know, I know that many of them are just a footpath that goes to what was a chapel and is no longer—. That path is no longer community-used. The chapel's closed; it's no longer used. Just an example.

11:30

[228] So, we need to be able to look at footpaths in today's world, for community links and then we need to look at them in terms of longer distance and rambling, and building up that sense of an integrated landscape. That I get, but if you then just say that all we do is have a right to roam and then create your own footpaths, those two are contradictory. How

do we get to—? It seems to me that we do have the tools already in Wales to do what you want us to do—we just need to do them better, and it does turn around the Acts that we've already passed around safe routes and around the future generations. I just wondered whether we shouldn't be better in focusing on making our current network really work for us, both for tourists and for our local populations, and have a coherent way of creating new routes so that when people agree, as in the example you gave where the two villages agreed that they should link up together, that that's easily done and there is no opposition and no easy way to thwart that for many years. Isn't that a better way forward than trying to—

[229] **Ms Charlton:** Yes. I guess I think what I was trying to say, but not very well at all, was that the routes that we'd be loath to—. For an example, we used to have miners tracks. We would have miners tracks in the Valleys. Mining has stopped. Those routes started to disappear, but they've come back again into another use, so we would not want to lose existing routes because they can come back again. Clearly, one that goes to a middle of a field and has no intention to go anywhere else is a different matter, and I do know that there are fields in north Wales, for example, where you have a number of short routes that go into a field. And my members would say, 'Actually, that doesn't make sense'. As an organisation, you know, we are very keen on protecting as many routes as we possibly can.

[230] **Mark Reckless:** Okay. Can I focus both of you on the post-Brexit agricultural rural development landscape for our inquiry? And we have the potential possibly to be paying landowners for environmental landscape management, and other objectives we may want to link to any payment. If one of those objectives were to be access to land, including footpaths that are there where there's a statutory right but actually that may not be applicable or happening—there are a couple of examples in Glastir where your members enforced through that mechanism—what type of regime do we have? What is it about the contractual or other arrangement with a landowner that would actually ensure access to these footpaths and credible enforceability where that doesn't happen? How should we do it?

[231] **Ms Charlton:** Good question.

[232] **Mark Reckless:** You know, if you want to reflect and perhaps consult in your organisation and write to us, that would also be valuable.

[233] **Ms Charlton:** Yes. We'll certainly come back to you with some more

detail on that point.

[234] **Mark Reckless:** Do you have any thoughts on that, Adrian, while Angela's considering?

[235] **Mr Barsby:** I guess, when tourists are surveyed, one of the key reasons they're coming to Wales is because of the landscape in the first place. When they come here, they expect to be able to engage with it. Now, there are all kinds of research that would also suggest that the average length of the walk is just under a mile. That has implications in terms of how you're going to distribute those, and that's because of the average. If you're looking at over 30 million people, or whatever—

[236] **Simon Thomas:** That's not a walk.

[237] **Mark Reckless:** Simon is a serious walker.

[238] **Simon Thomas:** I don't know about serious, but not a mine. [*Laughter.*]

[239] **Mr Barsby:** I guess that that links back to the reason that paths are about linkage—aren't they? In a post-Brexit environment, perhaps we need to look at how we're going to get people to and from these pathways, and the reasons that they're doing it. So, there are things like tourist information centres, things like lavatories and car parking, all of which at the moment are disappearing or are under lock and key and not available, not just to visitors but to the host communities as well. I guess that's really where we need to be looking, because the people that we want to attract as visitors are used to being able to enjoy those facilities. And if we want to encourage people to spend perhaps a little bit more than a mile as an average meander, then I guess it is important that people have got the signage in place, that the paths are well maintained and, if you like, there's a sense of purpose in that—that you're going to experience the culture or a view that can only be enjoyed from a particular point having made the effort to do so. And all of that is part of what, to be fair to Visit Wales, they've been trying to package over the last few years, alongside businesses. So, the visitors are telling us already what they want to do when they come here. They're drawn by what is natural to Wales in addition to the unique culture.

[240] **Mark Reckless:** Anything you want to add, Angela?

[241] **Ms Charlton:** I just want to say that, sometimes, I get the sense that it

feels like it's us and them, and that is absolutely what it shouldn't be; we should all be working together. And I think sometimes, where Glastir has not done so well, if we are going to talk to farmers about access and what's appropriate and will help, we should put people in place who can give them that advice and support, which we don't currently do, which is why we have permissive paths popping up here and there that aren't making sense, because they're not liaising or linking to either people like ramblers or local access forums or rights of way improvement plans, and I think it's all about giving support both ways, which certainly doesn't feel like it's happening currently.

[242] **Mark Reckless:** Good. If I could suggest this, as Chairman, with your organisation, perhaps the clerks may liaise in terms of any timing or deadlines we have, but if you are able to give thought to rather than having an EU arrangement, if we are ourselves deciding under what terms we are going to pay landowners for doing various things with their land, if one of those is appropriate access, how do we set that? What sort of enforcement would actually be practicable and would work? I think input from your organisation on that could be helpful. So, if you are able, do consider that.

[243] **Ms Charlton:** We certainly will.

[244] **Mark Reckless:** Can I go to Vikki and then to Jenny?

[245] **Vikki Howells:** Thank you, Chair. I'd like to focus on the question of labour supply, so, if I can, I'll direct my question to the Wales Tourism Alliance, based on that. I know that your organisation has said that tourism in Wales suffers from a shortage of labour with the necessary skills, and that that's the reason why we have a large number of EU nationals attracted to work in the industry. My first question to you is: is that really an issue about a lack of skills or is it actually about the quality of jobs on offer in terms of the seasonality and the level of pay?

[246] **Mr Barsby:** I think that, historically, tourism has suffered, if you like, with the perception that it's a low-pay, long hours, unforgiving environment. And the flipside of that is that there's an opportunity for anybody with low skills, or no skills in some cases, to actually have their first experience of work. So, I think that's the first thing I would like to say. Then employers would, naturally, always want to engage with a person who lives as close to their place of work as possible. And we've all been working with something called 'sense of place'. The visitor wants to engage primarily with a local

person, or as many local people as possible and, as employers, we would initially want to do that. If, having put the application out, there aren't any local people coming through or the people you're having to choose from, based on their skills and experience, happen to be from overseas, then that's what you will do. So, I think that, if you like, our preferred option is to employ locals, but then really it's about the people with the appropriate skills. So, I think it's not unreasonable to make the leap that the reason that it is 15 to 20 per cent of overseas employees being engaged is because of the skills gap.

[247] **Vikki Howells:** So, my follow-up question to that is: how do we tackle that issue, moving forward? To my mind, there could possibly be a two-pronged approach, which I'd welcome your comments on. So, prior to this role, I was a teacher, a secondary school teacher. I know that leisure and tourism is a very popular GCSE subject in Wales, and it's also a popular course for pupils to follow on with in college when they've left school. Is it about better connecting qualifications like that to the more practical skills that are necessary in the tourism industry? Is there some way in which there can be further engagement there? And then, secondly, how does it all link in to what your views would be about the ideal scenario with freedom of movement for labour post Brexit in Wales?

[248] **Mr Barsby:** On the initial point, in terms of engagement, I think it's unfortunate that Visit Wales, for instance, has no influence over education. So, it's difficult. As a sector, we have to go individually to individual colleges or directly to the educators. So there isn't, if you like, a joined-up approach. Visit Wales cannot influence what the curriculum is in FE in particular. Businesses do try and engage with schools and try to get an early presence to talk about the career opportunities that exist. In my own case, I started off as a porter and I've ended up owning hotels because of the opportunities that the companies I've worked for have given me. So, I think the sector in general wants to see a closer alignment with the colleges and at the moment finds it difficult to do so. So, that could be a major change that would have some benefit.

[249] When it comes to overseas employees, it's twofold, particularly on Brexit. First, I guess, we want to make sure that the people who are already employed don't feel as if they're going to be packaged off and made unwelcome. That has an impact on the countries from which these people have originated. They are our target market, in effect. They are people that we want to come and visit us. So, if there are 27 countries at the moment

that feel that perhaps they're not going to get a warm welcome if they come to the United Kingdom, or to Wales in particular, then that's potentially going to have a harmful effect on the very customers who have the biggest impact on us. Overseas visitors spend three or four times as much as UK visitors. They spend longer here. They go away and they act as ambassadors for us. So, we are concerned, in the tourism sector, that Wales presents itself as a vibrant and open country, which is why Wales Tourism Week this year, which is run by the Wales Tourism Alliance, is running from 15 May to 21 May and the theme is internationalism, so that we are addressing that. Wales is open for business, we're friendly, but we need more resources to promote that not just externally, but internally as well.

[250] Again, if you go back to the fact that 18,000 businesses in Wales operate in the tourism sector, I reiterate the point that most of those are very small businesses. How do FE and higher education in general engage with those small businesses? How do you make sure that you can give them the skills that they need to make their business more efficient while they're still working? It's all very well for further education colleges to say, 'Well, we've got this course, and you've got to come for three days a week', or whatever. That is just not going to happen for these guys. They just haven't got the time to give to do that.

[251] **Mark Reckless:** I'll bring in Jayne.

[252] **Jayne Bryant:** Thank you, Chair. Just on the back of the question that Vikki's asked, I was just wondering whether we are doing enough to engage older people in the tourism industry? Because you were saying that lots of people—you are looking for people who are living close to those areas, and there might be a number of people who are living in those communities who perhaps are nearer retirement age or perhaps wanting to travel not so far for a job. Are we doing enough to encourage those people to be involved, because they'll have the experience? They'll know the area. They might have lived away and come back.

[253] **Mr Barsby:** Absolutely. I think that most sensible employers—picking up on the point you make, they've got experience of life, they've probably got a lot more experience of the local area, and again, more importantly for the sector in general, they have perhaps packages of time to give. They don't necessarily want to work a full eight-hour day, nine to five. They might want to do three hours first thing in the morning and three hours later in the evening because it suits their lifestyle, because they've got other things to

do. So, yes, they're very much a good source of employment and knowledge. I think that, again, because the tourism sector is such an open sector, we wouldn't be turning anybody away.

[254] **Jayne Bryant:** Are we doing enough, though, to—

[255] **Mr Barsby:** No, I think we could always be doing more, definitely.

[256] **Jayne Bryant:** Okay.

[257] **Mark Reckless:** Huw, I think you have a concluding question.

[258] **Huw Irranca-Davies:** Yes, indeed. It's on a slightly unusual topic, perhaps, but it's the issue of wilding, or rewilding. One of the places we go as a family regularly when we're on the way to north-west Wales is through the whole red kite area, and it's fantastic to see them being fed at 3 o'clock, and so on. It's a draw for tourists. Now, short of reintroducing wolves or bears—beavers, habitat, rewilding: is that a good or a bad thing? Are there aspects of this—I mean, it's linked to the inquiry on this post-Brexit scenario. What should we be encouraging? Should part of what we're encouraging post Brexit actually be elements of wilding or rewilding?

11:45

[259] **Ms Charlton:** If it adds to the visitor experience of Wales, it's relevant to Wales as a nation and it's safe to do so—. I don't know enough about beavers, although I have seen signs of beavers in the Ogmere valley when we used to have them here in Wales, funnily enough, when I was with the Forestry Commission. I'm not sure that, as an organisation, we have a view on particular species being reintroduced to the nation, but—

[260] **Huw Irranca-Davies:** But you don't have a position on wilding, per se, either.

[261] **Ms Charlton:** Not per se, no.

[262] **Huw Irranca-Davies:** What about the tourism perspective?

[263] **Mr Barsby:** There's been a little bit of negative publicity about it, hasn't there, with wild boar in certain parts. I guess one of the key things with tourism and, again, where Wales scores so highly, is on authenticity. So,

if we're doing it just for the sake of it, I guess it'd be a bad thing to do, but if those animals can be re-assimilated back into a natural environment, I guess that's only going to further enrich the overall offer. But there are some caveats there. As with Angela, other than that being an instinctive answer, I can't claim to have any knowledge to back that up.

[264] **Huw Irranca-Davies:** It's just interesting that you drew our attention earlier to the IQM approach, the quality rural tourism approach, which, curiously, is a European initiative as well as a UK initiative, but that focuses very much on people, place, uniqueness and specialism—that it feels different, it tastes different and it smells different, you get a different experience where you go. So, I would imagine some of your operators would be saying, 'Well, in the same way that the red kite experience brings us into that area, or this whatever, done in the right way, in the right place, in the right community, with sign-up by a community, wilding shouldn't be dismissed'.

[265] **Mr Barsby:** I agree with you. I didn't say that it should be dismissed. I—

[266] **Huw Irranca-Davies:** No, no.

[267] **Mr Barsby:** So, yes, I agree.

[268] **Mark Reckless:** And Simon to conclude.

[269] **Simon Thomas:** Just on the wilding point, I sort of declare an interest as the species champion for the pine marten in mid Wales, then. Obviously, it has to be appropriate to the environment that we have, the attraction—not reintroduction as such, but the attraction of the Dyfi ospreys project, for example, is a very good example, I think, of where environment, tourism and everything else go hand in hand.

[270] But I did want to, if I may, return to a slightly earlier point that Vikki Howells was asking about, because the tourism industry—certainly, post Brexit, one of the first conversations I had was with a major tourism hotel owner in mid Wales who expressed a great deal of concern that he would not be able to maintain his services because he was reliant on people from the European Union. Two things are being suggested around Brexit, around European nationals coming to work here after we leave the European Union, and one is that there'll be a seasonal scheme for farm workers, and I wanted to ask you whether you thought there should be a seasonal scheme for

tourism workers, or whether that wouldn't be helpful at all. The second suggestion, which was floated yesterday, was of a £1,000 levy on all EU workers, a skills levy as it was called, which was thought of as a way of putting off people from employing European nationals and, rather, investing in skills for local people, if you put it in a very crude way. Is either of those, in your view, beneficial to Welsh tourism?

[271] **Mr Barsby:** I guess if we start from the premise that somewhere around 20 per cent of employees are in this category, then it's going to be impossible to replace all of those with indigenous employees. So, I guess that frames—

[272] **Simon Thomas:** Because your point would be that if those indigenous and local people were available, then they would get the jobs anyway—not in every case, but in most cases. Because SMEs, small businesses, are going to employ local people, aren't they, if they can.

[273] **Mr Barsby:** They are, just because they live around the corner. You can phone them up and say, 'We've got a few extra people in tonight, can you come and help us out?' So, it's practical from that point of view. I think businesses will instantly be nervous about accepting a levy, for obvious reasons, although, that said, I am a personal beneficiary of the old training levy as it was—that was on different hotels and businesses at the time. We've got the apprenticeship levy and that coming through as well. In terms of seasonality, one of the success stories of Wales's tourism has been how it's been extending the season and, particularly as we're concentrating on the great outdoors, that is actually all year round, isn't it? People aren't coming here to get a sun tan; they're coming here to enjoy the outdoors, regardless of what the weather does. So, off the top of my head, I'm not really sure that that would be the kind of solution that we would be 100 per cent behind.

[274] **Simon Thomas:** So, would you want to maintain—let's not use the words, 'freedom of movement', because that's a particular context—the ability of Welsh tourism businesses to employ people from elsewhere within the current European Union without a levy or a particular seasonal time restriction? That would be your preferred option.

[275] **Mr Barsby:** Yes.

[276] **Mark Reckless:** One quick question from Jenny before we close.

[277] **Jenny Rathbone:** Given the upheaval that Brexit is bound to cause the farming industry, what conversations have you had with representatives of farmers on how they might be able to diversify by collaborating with tourism, either on their farms, or growing more food to sell in your hotels or whatever it might be?

[278] **Mr Barsby:** I do have some experience of this. I'm on the Flintshire local action group, so I've run a number of rural development programmes—mentoring, particularly, to tourism businesses. So, I can't say that we've actually had that specific conversation, but everybody is diversifying. Tourism businesses are diversifying. Tourism businesses that make jam are now specialising in making jams and pickles, and farmers are specialising in accommodation provision, but also doing guided tours and all the rest of it. So, I guess we are all in this together. I think it's interesting that the rambles are here, because the pathway is all about the linkages and the linkages are across all sectors, whether it's education, whether it's manufacturing, or whatever. We are all linked and I guess that anything we can do to help broaden that and make those links stronger, so that we can all benefit and diversify, is going to be better.

[279] **Mark Reckless:** Thank you, both, very much, for joining us. We really have appreciated your evidence.

11:52

**Cynnig o dan Reol Sefydlog 17.42 i Benderfynu Gwahardd y Cyhoedd
o'r Cyfarfod**

**Motion under Standing Order 17.42 to Resolve to Exclude the Public
from the Meeting**

Cynnig:

Motion:

*bod y pwyllgor yn penderfynu that the committee resolves to
gwahardd y cyhoedd o'r cyfarfod yn exclude the public from the meeting
unol â Rheol Sefydlog 17.42(vi).*

*in accordance with Standing Order
17.42(vi).*

Cynigiwyd y cynnig.

Motion moved.

[280] **Mark Reckless:** Can I now move a motion to move into private session

under Standing Order 17.42?

[281] **Mr Barsby:** Thank you for the opportunity.

[282] **Ms Charlton:** Thank you very much.

[283] **Mark Reckless:** Agreed. Thank you.

Derbyniwyd y cynnig.

Motion agreed.

Daeth rhan gyhoeddus y cyfarfod i ben am 11:52.

The public part of the meeting ended at 11:52.

Ailymgynullodd y pwyllgor yn gyhoeddus am 12:49.

The committee reconvened in public at 12:49.

**Ymchwiliad i Ddyfodol Polisiâu Amaethyddol a Datblygu Gwledig yng
Nghymru—Coedwigaeth a'r Ucheldiroedd**
**Inquiry into the Future of Agricultural and Rural Development Policies
in Wales—Forestry and the Uplands**

[284] **Mark Reckless:** Good afternoon, and thank you for joining us for what is our third panel today for our inquiry on post-Brexit agriculture and rural development. Can I welcome you and, let's check—? Can I commence just by asking a general question—there may be a range of views on the panel on this—as to what you see as the desirable and, perhaps, likely scope of forestry and woodland for the upland areas, in particular, of Wales in the post-Brexit environment? Perhaps I could start with Nick Fenwick.

[285] **Dr Fenwick:** Certainly, I think that we need to strike a fair balance between all of these incredibly important interests, whether it's the economic interest in terms of forestry or agriculture and, indeed, the environmental interest that comes with both of those industries and are inherent to them. We hear many extreme views about doing away with farming, be it sort of replacing farming with wilding or blanket conifer, for example; and then there are some farmers who believe that everything should be intensified to the nth degree. It's absolutely about having a balance. One of the things that has caused some of the environmental degradation over the years has actually been the loss of diverse habitats. Farmers are more than willing and

have restored or re-created that diversity in many places. I think some of the barriers to doing so are actually administrative and created by Government very, very often.

[286] **Mark Reckless:** Tony, from the upland perspective, again, and a farming background, do you share Nick's view? What's the appropriate role for forestry and woodland?

[287] **Mr T. Davies:** Well, as upland farmers, we've sort of found it a little bit frustrating in the past that we can't plant as much as we'd like to. On a lot of areas on farms you get the steep, rocky areas not suitable for sheep, or even difficult to get sheep off. We would like to fence them off and plant them, but we haven't been able to because of the CAP system and the regulations—quite often, SSSI regulations. So, this is actually an opportunity for us to be able to plant, not whole farms but areas, which would actually create wildlife corridors as well to join up other pieces of woodland.

[288] **Mark Reckless:** When you say that you haven't been able to plant, is that generally regulation prohibiting planting or the loss of pillar 1 support or subsidy if you do have forestation?

[289] **Mr T. Davies:** To start off with, regulatory. I personally have planted a few hectares on our farm into little areas, but every one has been very, very difficult to get the regulation through to be allowed to. But, secondarily, I lost the payments for the last couple of years on that land as well. It's basically stopped it since the last CAP reform, when you couldn't get paid because you couldn't graze it with sheep.

[290] **Mark Reckless:** Martin, what's the future for forestry in Wales?

[291] **Mr Bishop:** As you might expect, I should come out well in favour of expanding forestry. When I talk about forestry, I want to talk about all types of forestry—commercial, non-commercial, biodiverse forests and all sorts. We do have to operate at scale a little bit. That's the thing that we do need to do with forestry. If we can operate at scale, forestry will give a decent return to landowners, and it would be self-funding to manage. It would provide lots of other areas, when they're managed properly, for the biodiversity and water flood management, and cleaning the air that we breathe—all of those sorts of things. But we do need to operate at scale. Sadly, much of the planting that we have done in the last 20 years isn't going to be very productive, partly because it's just not done at large enough a scale. It's not self-

funding, and I think that's the criteria: that we need to look at blocks that can be self-funding. It will be a co-operation, I think, between lots of different farmers to bring that land together. There are plenty of opportunities. Forestry investment companies have plenty of schemes about now that typically pay between 3 per cent and 7 per cent return on capital. So, the funds are there to do it. Regulation is going to be a key issue for change. We have to accept the change of land use and be willing to accept the change of land use.

[292] **Mark Reckless:** And Frances, the Woodlands Trust perspective.

[293] **Ms Winder:** Can I start by thanking the committee for inviting us to contribute? One of the major problems has been that the EU had competency for agriculture, but didn't have competency for woodland or forestry. So, we've always had this sort of artificial separation of woodland on the one hand and agriculture on the other hand. I think one of the key things that I would like to see achieved out of this is a sustainable land use policy for all land uses, so that we can fully integrate woodland and trees back into the landscape. We know that there are benefits for livestock; we can see the benefits for soil, water quality and water quantity, but we can only enable that by making it a fully integrated use. So, I'd rather we progressed towards seeing land use as a whole rather than this completely artificial thing where, on the one hand, we talk about agriculture or sheep grazing, and on the other hand we talk about forestry. Forestry and woodlands go from the individual tree in your hedge all the way to large-scale planting. There's no such thing in my view. It should be an integrated land use.

[294] **Mark Reckless:** And would all members of the panel accept what I think was Tony's suggestion, or at least implication, that it's as much a question of allowing farmers to plant woodland and forest as it is a divide between forestry and farmers as necessarily competing?

[295] **Mr T. Davies:** Can I just add in? As a farmer, I'm a businessman and if, for example, tariffs came in on the export of lamb and sheep production wasn't paying very well, I would be looking at commercial forestry as another enterprise on the farm. So, yes, we are all open to any ideas.

[296] **Mr Bishop:** And that's the stepping stone that we need to get to. We recognise that forestry is capital intensive in the first years and doesn't provide income for 10 to 15 years. We need to bridge that gap and I think that once it gets to that stage, then it can be self-funding and farmers can

start having an income for it. But it's that gap, as I indicated in my submission.

[297] **Mark Reckless:** Do you expect FUW members to plant more forests in a post-Brexit environment?

[298] **Dr Fenwick:** Indeed, they have. If you compare the data from the tithe maps of the 1840s, you'll see that upland areas actually have more woodland than they did even back then. Certainly, there have been those efforts. It certainly is about balance. We do have to respect the fact that grazed upland areas are incredibly important for certain species and habitats, and without farming and grazing, indeed, by definition, those species wouldn't exist because they are moorland species. So, afforestation is not appropriate everywhere, but we certainly need to remove the barriers to afforestation, be it commercial or other types of forestation in many, many areas. I would reiterate what Tony has said: those barriers are set very much too high. Some people have spent many years trying to plant woodland and have failed. We do need to be very careful as well, though, that we do not return to the sort of destruction, be it destruction of environment and, indeed, of communities, that we saw in the post-war period and the period between the wars, because we saw vast areas where there were scores and scores of huge estates sold and planted, and effectively we had displacement of entire communities and habitats.

[299] **Mark Reckless:** Vikki.

[300] **Vikki Howells:** Thank you. I'd like to focus particularly on commercial forestry and really drill down with each of you regarding that. So, if I could start with Martin Bishop, first of all, from Confor. Martin, I know that your organisation has said recently that farmers, land managers and the public purse could benefit from a change in land use towards more commercial forestry, and I wondered if you'd be able to expand on that for us, please.

[301] **Mr Bishop:** Certainly. Yes, commercial forestry can make a profit. We have a thing called UK forestry policy, a UK forestry standard, which looks at how big a commercial forestry is compared with a—. You can't plant 100 per cent spruce like we did back in those days, Nick. We have to have a more diverse structure. But it's very much aimed towards the 75 per cent of the commercial forest paying for the benefits in the other 25 per cent, and that's a well-known practice now. If forestry can provide landowners with an income, albeit in the long term, then I think that's got to be a benefit. The

forestry sector would benefit because we would have lots more jobs and would be able to provide many more jobs. The forestry processing, the wood processing sector is quite a big sector in Wales. Just surveying about eight companies I've come up with about £46 million that they have actually invested in wood processing in the last eight years. They could double or treble that if the resource was there to do it. So, we do think that it could be a much bigger gain then to the public purse because you would have no long-term funding issues with farming. You wouldn't have to fund land management for forestry. So, that's the thinking on it.

[302] **Vikki Howells:** Yes, certainly. I was reading a few days ago about the opening of Pentre Solar and the local wood that had been used for the creation of that sustainable housing. So, there's certainly a lot that can be done in the future.

[303] **Mr Bishop:** The UK is the third largest wood importer in the world.

[304] **Vikki Howells:** That was going to be my next question, actually.

[305] **Mr Bishop:** There are huge, huge amounts of imports of wood. Brexit, arguably, has done us a bit of good. Wood prices have gone up because the strength of the pound has changed. So, my landowners are telling me that they're actually getting a little more for their wood than they were. We have a large market that we can go at, certainly. Every processor tells me they could double or treble production fairly easily, if the resource was there to fund it properly.

13:00

[306] **Vikki Howells:** Thank you, and I wonder if I could just ask each of the other panellists, in turn, for your views on the potential for the growth of commercial forestry and how it might affect your sector areas, both positively and negatively.

[307] **Mr T. Davies:** If I could start, the challenge is that a lot of—. I'm speaking on behalf of upland farmers, really, and a lot of the upland farmers are tenant farmers. So, it isn't even really on the table—the idea of planting commercial forestry—because a lot of them are on short-term tenancies. Even if you are on a lifelong tenancy, which my main holding is, my landlords don't actually agree to that sort of thing. If you plant a tree, they own it anyway. So, I am just going to point out that one of the challenges for upland

farming is—.

[308] **Mr Bishop:** It is a big issue, yes. Land tenancy would be a big issue.

[309] **Mr T. Davies:** Yes.

[310] **Vikki Howells:** Right.

[311] **Ms Winder:** If I can say that, when we talk about commercial planting, we are not talking about 100 per cent Sitka spruce. The world has changed since then, and we need to accept that. Commercial planting is important, but I think we need to also look at what we are delivering with that, so it's not just for pulp. I think there are some amazing specialist companies in Wales that produce green oak for housing and other timber products for housing, and we need to be able to differentiate that market. But I think we also need to be very clear that if commercial planting is to receive support, it has to be more diverse; it genuinely has to contribute to other objectives; it needs to look at its history of potentially discounting its costs and its impacts off to other stakeholders—it has to take responsibility for that; and it needs to be sustainable in the long term. All of this is achievable, absolutely achievable, but we need to set in place the opportunity for that to happen.

[312] **Dr Fenwick:** I will just add that we absolutely need to find commercial uses for what might be termed as 'less commercial forestry'. There's a great deal of that that has been planted, and there needs to be more investment in finding those uses, even if it is simply for biomass, which is incredibly important given where we are with carbon. There are certainly opportunities for farmers to invest in order to increase our forestry stock, absolutely, and there are barriers that need to be removed. But we do need to be a little bit careful that we don't return to the problems that I described before.

[313] There have been some quite extreme studies. There is one on Eskdale moor—or muir—in Scotland, which is a 20,000-hectare estate, which can be compared or held up against upland farming in commercial terms. But when you look at that sort of area, you are looking at what—compared with upland farm sizes—would sustain about 200 family farms. Those 200 farms are incredibly important commercially for a whole host of other reasons—or other businesses, rather—as well as being incredibly important socially. So, it's about striking that balance, and I don't think that we would disagree too much. It is about where the boundary lies between forestry and the scale of forestry.

[314] **Vikki Howells:** Thank you.

[315] **Mark Reckless:** Can I bring in David Melding?

[316] **David Melding:** I would just like to talk about direct payments, upon which much of agriculture depends at the moment. I wonder what each panellist thinks about the future of direct payments. We are having a big shift towards area payments, and I wonder if that is going to be feasible post 2020 if, for instance, our export markets come under severe pressure. Won't there then be pressure to go much towards production just to keep farms going, rather than the shift that, I think, has been generally accepted, towards area-based payments and looking at the wider environment, which has been welcomed? How is that all going to survive, if you want direct payments in the first place, post 2020?

[317] **Dr Fenwick:** If I could start, Chair, by saying that there seem to be some great aspirations out there. We certainly have aspirations in terms of, ideally, replacing direct payments with income from agriculture. I don't know any farmers who wouldn't want to make more money from the produce that they produce. But, unfortunately, the economic realities do not tally with those visions at the moment, and we have to appreciate the complexity and the intricacy of our rural economies and all the businesses that rely on them. For example, some work that was done recently looking at farm business income statistics has shown that the amount of money that those farms pass on is around £1 billion. Even though those businesses on average—well, in total—receive probably about £200 million through the CAP, which is a great amount of money, they nevertheless generate five or sixfold as much for other businesses, including employment, et cetera. So, we have to appreciate the very delicate balance that is there and if we remove that money at the moment, in the current financial and economic climate, then we risk far, far more than just losing 80 per cent or 90 per cent of our farm businesses. We risk losing many, many fold other jobs and businesses.

[318] **Ms Winder:** As an organisation, as an environmental NGO, we have never supported single farm payments. We do not believe that cross-compliance actually works. Also, as a woodland organisation, it has always been a slight anomaly that, as a farmer, you get paid, as a woodland owner, you don't. Why? You're still managing land, you're still achieving something for the countryside. It therefore would suggest that we would need to go into another route. I think, if we follow hard Brexit, there are bound to be

countries that will challenge single farm payments because you cannot claim that it's not market distorting. We know that the US will definitely challenge it. So, we have to think about how we move things forward. We need to look at what do we actually want for our land and what are we paying for. Why are we just paying for somebody because historically they've had that land so we give them some money? It doesn't make a lot of sense in the twenty-first century. We need to look at what we're trying to achieve with that land for the broader good and we're back to this statement, which says, 'Public money for public goods', but it's how you define those public goods and what we're actually seeking to achieve. That's obviously what we need to look at in a very Welsh context, I feel.

[319] **Mr Bishop:** In the forestry context, the CAP payments have artificially kept land prices high, which has been one of the main reasons why I'm told we can't get enough land to put under trees, because the actual value of it is too great. So, we wouldn't particularly support further CAP payments, but, if we want to shift those payments or shift any payments towards forestry, we have to bear in mind that we need to keep these people on the land and they need an income in the short term. So, maybe CAP payments are a way of doing that, but they have to have an end date, I think.

[320] **Mr T. Davies:** As upland farmers, to be blunt, they can't survive without Government support as it is. I agree with what Nick has been saying, but you did mention production support. I don't think that would be the route forward either because we've been here, we've done that and—

[321] **David Melding:** We have heard evidence that that's what should happen and you should allow farmers to be much more intensive in applying lime fertiliser or whatever it is to agricultural land and getting the maximum efficiency out of it. I'm not saying that's my view, necessarily, but it's evidence we've heard.

[322] **Mr Bishop:** I think it will have the effect that it would drive production onto the better quality land and you can't make a purse out of a sow's ear—if they haven't got the grass on the uplands, they can't produce that sort of stuff and nothing's going to help them do it.

[323] **Ms Winder:** If we're talking about the New Zealand experience of sending the helicopter up the hill to—

[324] **David Melding:** I don't particularly want to get bogged down in this.

[325] **Ms Winder:** No, but the problem with that is that the bathing water quality in New Zealand is not suitable for you to go swimming. Therefore, that's affecting their tourist industry and they are now having to go back and think about the consequences of how they build that back up.

[326] **David Melding:** I think those arguments are very strongly made, but, for the farmers, you have to face the fact that your main markets could well become much, much less conducive to supporting your income. Then, is there going to be more pressure to say that the environmental and wider social goods are something you get when there's already stability in the agricultural system, we're going through a very unstable system, will we have to retrench and look much more at direct payments relating to, basically, compensating for the lower prices of lamb or whatever?

[327] **Mr T. Davies:** It depends on budget. It's how much money you have to actually spend. As upland farmers, we do deliver through environmental schemes already public money for public goods—I think we do. There is a lot more that could be done. A lot of peat bogs aren't in a great situation. They could be improved. There's more carbon stored in peat bogs in the UK than there is in woodland. So—yes?

[328] **Mr Bishop:** Go on. [*Laughter.*] I'll not challenge you here, but, you know.

[329] **Mr T. Davies:** So, there is a lot more to be done environmentally that would deliver other targets besides food production: the environmental work, obviously; carbon sequestration; and the tourism industry. Obviously, there's the coast, but, you know, where do walkers run and cyclists go? They are in the mountains. Most brochures for tourism show the mountains.

[330] **Mark Reckless:** If I could bring in Nick Fenwick, please. Thank you, Tony.

[331] **Dr Fenwick:** Okay, so, let's not pretend that the current system is anywhere near perfect: it is full of flaws and problems, and those are amongst the reasons that some farmers voted to leave Europe—absolutely. But there is a real danger here—and we certainly look to our rulers and politicians and governments, and the current Welsh Government and successive Welsh Governments, to address this issue—that we will throw the baby out with the bathwater by considering aspirations without facts and

figures in front of us. It is absolutely critical that the Welsh Government and the UK Government do proper assessments of the economic impacts and wider cultural and environmental impacts, so that, for example, if the Welsh Government or the UK Government decide that they're going to implement a policy that destroys rural Wales, then at least they'll be doing it with their eyes open and with the facts and figures in front of them. Certainly, that's not what we want. At the moment, there are aspirations that we would agree with, but whether they are attainable, and whether a proper analysis would support them being attainable, is a different issue, and I suspect it absolutely wouldn't.

[332] One of the problems with payments for environmental goods, as the committee is no doubt aware, is the World Trade Organization's rules on doing that, and compensating people for income forgone, if their income is already very low, cannot replace some form of support system. So, under the current economic climate, we need some form of support system, or we will see an absolute catastrophe hitting upland farms and lowland farms. I would emphasise that we're not just talking about upland farms; the average farm incomes for lowland livestock farms are around £4,000 or £5,000 below those for upland farms, both of which are extremely low and falling.

[333] **Mark Reckless:** I saw the data that you published on that. I was very surprised, actually, to see the lowland farmers being £4,000 to £5,000 less than the upland farmers. Are you sure that those numbers are robust?

[334] **Dr Fenwick:** Those are the Welsh Government statistics, and they are collected by—

[335] **Mark Reckless:** It's not quite the same point.

[336] **Dr Fenwick:** Okay. They're collected by the Welsh farm business survey, which is now in its eightieth year. So, the methodology has been used for 80 years, give or take some changes, and they are the most robust figures we have. There are years in which the lowland farmers have been better off, marginally, and they're always in a very similar—or, rather, lowland livestock producers had been better off—but they are generally in similar ballparks, and that's the important thing to remember, especially when it comes to payments for environmental goods. It's important to remember that, for those lowland farmers, it is not as easy to access that form of payment. If it was a genuine payment, you know, for example, from the public sector, it certainly wouldn't be as easy to access, and we know

from our experience with agri-environment schemes that it's certainly not as easy to access for lowland farmers or, indeed, intermediate farmers. Bear in mind that not every upland farm is a farm with some low-lying land, some frith land, and then a sheep walk. Most of our upland farms are modestly sized single units that are above a certain altitude, but they are not necessarily extensive farms. The average hill farm size for the farm business survey data is 100 ha, which is 300 acres.

[337] **Mark Reckless:** Martin, you wanted to contribute and comment on the tail end of this.

[338] **Mr Bishop:** I would probably say that I would rather think about, rather than destroying rural Wales, I would say we need to change rural Wales, and there has been a process of change for centuries; it has to keep evolving. We do need support in the short term to manage that change. Payments for ecosystem services may help, but before any payment for ecosystem services comes into force, there has to be a regulatory baseline to enforce; otherwise, you're paying somebody to pollute, and we don't accept that principle.

[339] **David Melding:** I'll just say that I'm ashamed to say that I don't know what the current forestry cover is in Wales, but obviously, before the Neolithic revolution nearly all of Wales was temperate rainforest. What, eventually, say by the end of the twenty-first century, should we—? Because, basically, your transformation would mean that there would be much, more woodland, wouldn't there? How much should we be looking, end of century?

13:15

[340] **Mr Bishop:** That's aspirational. There are 306,000 hectares of forest at the moment; about 50:50 conifer and broadleaves. We've actually lost about 18,000 hectares of commercial conifer in the last nine years, partially through restructuring, which we fully support. That's changing from 100 per cent Sitka spruce blocks to blocks that are far more broken up and have more biodiversity blocks in them. Where do you want to compare it to? Most of central Europe's got 30 to 40 per cent forestry; Scandinavia has got 70 per cent forestry. Frankly, if we had 100 per cent forestry, we wouldn't supply all the timber and the goods that we require. I'd like to see 50 per cent, but that's just me.

[341] **David Melding:** And what sort of population is sustainable on, say, the Scandinavian model of forestry cover, compared to what we have here?

[342] **Mr Bishop:** I wouldn't have that information at my fingertips.

[343] **David Melding:** Because that's what we need to look at, isn't it?

[344] **Mr Bishop:** Yes.

[345] **Dr Fenwick:** Having looked at the Eskdalemuir study, if that's how you pronounce it—I'm not Scottish—

[346] **Mr Bishop:** Just to butt in, Nick, you'd better look at the Welsh one rather than the Eskdalemuir one. That's why we did the Welsh one.

[347] **Mark Reckless:** Could I actually—do you mind if I move things on here, because Jenny was—

[348] **Dr Fenwick:** Okay, so it relates to this 200 farms figure. Based on those figures, I think that area, on average, would have sustained about 80 jobs—or does currently sustain, on average, over a 40-year period, 80 jobs. And if you compare that with Welsh average upland farm sizes, you'd be looking at 200 farming families plus employees and contractors and all those others on that same area of land. I don't want to be seen to be arguing against forestry, but it's about getting that clear balance about the risks.

[349] **Mark Reckless:** Good. Martin, you gave me at the Royal Welsh Show, I think, a document about employment through forestry and how that compared to farming. Could you ensure that's put in as—could we have that as—?

[350] **Mr Bishop:** That's the Welsh version, yes.

[351] **Mark Reckless:** If you perhaps leave it, and we can have that as evidence, we can then compare. Jenny.

[352] **Jenny Rathbone:** Given that our aspiration has to be evolution rather than revolution, what form do you think the new public investment for public good should take, both in the uplands and in lowland farms, where a considerable proportion of their income is currently derived from basic payments? Because, obviously, there are very strong reasons—environmental reasons, the tourism industry and the well-being of rural areas generally. So, bearing in mind the point that you made earlier about how most upland

farmers are tenants, how could we shape a system that would incentivise improving environment and income without it being a disincentive to evict people?

[353] **Mr T. Davies:** Back to the tenancy thing, historically, environmental schemes in Wales—Tir Gofal and Glastir—have been five-year contracts, and that fits in with most tenancies. So, that's probably not such a problem. But on the money to be delivered, you mentioned the rural areas. Well, if it goes to agriculture, it does go to the rural communities. It works that way. But on overall for public services, I think it's got to be based on environmental schemes. If you talk to the public, that's a high priority—the countryside as they know it now, rightly or wrongly, and that's how they like it. That's the countryside that tourists come to see. They also do like the Welsh mountain sheep on the mountains, and the Welsh lamb is quite a good brand. I think that can be improved a lot more, as probably the best mountain lamb actually is going abroad as a cheap commodity. That's an area that could be improved, if money could go into actually getting that pasture-fed lamb eaten in Wales or in the UK, instead of abroad.

[354] But back to the lowland/upland thing, the environmental schemes are actually open to lowland farmers as well, and if they make a choice to go with market forces and produce commodities instead of taking the environmental payments, well, that's choice. We all want choice, and it will be the upland farmers who won't take environmental payments because they think they can make a better profit out of sheep farming. But we have got a lot of unknowns ahead of us.

[355] **Jenny Rathbone:** Okay, but given our climate change obligations, we obviously want all farmers and everybody else to be doing things that are both good for their business and good for the environment generally. In our visits, we've seen some good examples, both in Snowdonia and Ceredigion, of people doing the right thing in terms of the environment—farming in an environmentally sustainable way. But how can we spread that across the whole of the farming community? Because we can't afford for a minority to be doing it and others not.

[356] **Mr T. Davies:** Basically, if you're taking away the single farm payment area payment, you will be doing that, because as it stands, some farms will be spending their area payment on imported fertiliser and imported oil to produce a cheap commodity, which is exported. If the single payment isn't there, that option won't be there, unless the market can deliver. And in

today's climate, it can't deliver enough to produce food in that way. We need to be looking towards a Wales that is producing pasture-fed milk, beef and lamb, and obviously horticulture and agriculture, of which I don't really have much experience.

[357] **Jenny Rathbone:** Okay, so that's a good argument for abolishing the single farm payment.

[358] **Mark Reckless:** I think Nick Fenwick just wanted to come in on the question you just asked.

[359] **Dr Fenwick:** In response to the original question, when it comes to payment for public goods, the first obstacle is WTO rules. So, you can compensate people for delivering public goods, for the money they lose in delivering public goods, which I tend to describe as a bit like petrol money on the way to work: it's not the same as your wage, it's actually compensating you for the petrol that you've used. So, by definition, it needs to come from the private sector and, given that that's been worked on for many years and we have yet to see any clear benefits for landowners as a result of that initiative, a great deal more needs to be done, and it may need to be legislative in order to ensure that people can benefit from the goods that they are delivering. In the way the figures pan out, certain farmers benefit from agri-environment schemes, but that's because of the law of averages and, legally, it's an income-forgone scheme, and has to be under WTO rules, as the committee has heard before.

[360] **Jenny Rathbone:** Okay, but how do we get more people behaving like Anwen, on the Ceredigion farm we visited?

[361] **Dr Fenwick:** Well, we need to find some way of ensuring that private bodies pay them for delivery.

[362] **Jenny Rathbone:** Private bodies being supermarkets, or private bodies being landlords?

[363] **Dr Fenwick:** Private bodies being the commercial sector—be it supermarkets, water companies, insurance companies, and all those who benefit as a result of land management.

[364] **Jenny Rathbone:** The Government doesn't have control over all of those.

[365] **Dr Fenwick:** It has legislative control. It cannot reward people financially, because of WTO rules. As an average, it can't do that, but it can do stuff through legislation, and that's the only avenue by which that would be possible, unless private companies are going to take up the initiative of their own accord.

[366] **Mark Reckless:** Martin, you wanted to come in on that.

[367] **Mr Bishop:** I think that it'll be examples of payment for ecosystem services—that type of scheme. Climate change is an obvious one. Many of the things that go on for land management are contributing to these anyway, so it may be that there's extra payment for those things. Leisure is a big one. It's an interesting concept, how most people come into the mountains and they like to see the mountains for leisure, but they make no contribution to that. Should a farmer, or a landowner, who has a holiday cottage actually be contributing—or he's getting some of his income because the people are coming for the leisure activities. Those are all difficult concepts for payment for ecosystem services. I think climate change is probably the best hope that we have to try to get some money into the system.

[368] **Ms Winder:** Could I go back to the original question, and look at it more from a process-led end? So, how do we set about achieving that? In Wales, you are way, way ahead of the rest of the UK. You have the well-being of future generations Act, you have the environment Act, and we're progressing towards making area statements, which will set out, if they're done right—the whole concept of bottom up, targeted locally—will set out our aspirations for given areas. Therefore, we could look at—because I don't think we can have one scheme that works for lowland and upland at the same time. We need to identify the differences and enjoy the differences—how do we enable that to happen? If we look at, having set out these different areas, outcome-focused, locally developed, locally delivered schemes, then that gets over some of this process problem about how we identify what is needed in an area, and how we set about doing it.

[369] I think the other thing that we have to be very aware of, which is more at a UK level, is this issue of making sure that, when we go down the WTO route, or whichever, we make sure that we don't count out payment for ecosystems services. In order to make that function, we're going to have to have some form of Government intervention in the early period, because the only PES schemes that have worked have had statutory input to start them

off. That is achievable under the WTO rules, but we need to make sure that we write that in now. That's our problem, I think, because the concept that we leave everything to the market and the insurance company will come in and say, 'Hey, we'll give you some money to stop all of the flooding'—ain't going to happen. But, if the Government goes around and talks to the insurance companies and says, 'What about: we'll support it for the first couple of years, and then we'll transition down and you can run it'—that will happen. But it's having that influence.

[370] **Mark Reckless:** Martin, you were talking about a regulatory basic standard, but then potentially payments for enhancements or improving on that. Can we just look at that in the context of how the 75 per cent conifer within the FSC—would you propose that as an example baseline, and would it be a proper use of public money to then pay landowners who went beyond that and had greater diversity?

[371] **Mr Bishop:** All forestry, by regulation, has to be done under the UK forestry standard. So we are already operating on those rules. I don't think that's necessarily a PES, scheme because it's already happening.

[372] **Mark Reckless:** But are there additional benefits of people going beyond that and, say, having a 50:50 mix?

[373] **Mr Bishop:** Yes, if you were going on beyond that, you might look at that as a PES system. You might look at that as a water management system. You might look at that as a 'cleaning the air that we breathe' type of system. All those concepts—the product, wood, is 50 per cent carbon. If you're using wood products, you're removing concrete and steel products, and their high-carbon content, and you're actually storing the carbon for a period of time. So there are all sorts of opportunities. At the Royal Welsh Show I had a couple of big lumps of wood and I said, 'Come and have a sit on 50 per cent carbon', because that's what it is. This is carbon. Those are the opportunities I think we have to realise.

[374] **Jenny Rathbone:** Could I just do a follow-up on the WTO rules and some of the agencies you mentioned who are private sector organisations? We're not about to nationalise our supermarkets, sadly—I'd like to see that—but what role could the national procurement service, particularly around food procurement, play in encouraging local food industry, given that we have a food and drink policy for Wales?

[375] **Dr Fenwick:** I completely agree with you in terms of local procurement. We could do a huge amount more, and governments in various different places down to the local level have avoided procuring more local produce by quoting competition rules in a way that doesn't happen in other countries. So, there's absolutely huge scope for doing that, notwithstanding the limitations of that market for Wales, with its relatively low population, but across the UK it is a big market. I also feel very strongly, and we feel as a union very strongly, that governments should lead by example. It makes no sense for governments to have strategies based on increasing their supply and their markets for Welsh produce of any kind while their own moneys are being spent on produce from outside Wales, for example. Tourists who come here and may visit a hospital, or anything like that—if they don't see that our own authorities have faith in our own produce, then why should they then go home and continue to buy Welsh produce? So, I agree completely that governments should absolutely lead in order to establish those protocols and those markets and reinforce those markets.

[376] **Mark Reckless:** Martin.

[377] **Mr Bishop:** I think there's another interesting concept, and that is of corporate responsibility. I think we underestimate how powerful that tool is, really. I recall something saying that the driver for farmers in England was a supermarket contract, and I also saw a study that was looking at environmental derogations in England, which were lower, and I wondered if there was a link. Nobody's been able to tell me if there is not, but is it corporate responsibility being passed down the supply chain that is making people actually go a little bit further or beyond what they would normally do? I think it would be a very interesting piece of work to do.

13:30

[378] **Mark Reckless:** Could I bring in Simon Thomas to conclude the session?

[379] **Simon Thomas:** Diolch, a **Simon Thomas:** Thank you, and I will gwnaf i ofyn yn Gymraeg os caf i. Yn be asking my questions in Welsh. gyntaf oll, cyn imi jest ofyn cwpwl o First of all, before I ask a few gwestiynau, rydw i jest eisiau bod yn questions, I just wanted to be clear glir ar beth rydym ni newydd fod yn on what we've just been discussing, ei drafod, achos rwy'n credu bod because I think Tony Davies Tony Davies wedi sôn am y posibilad mentioned the possibility that

bod amaeth yng Nghymru yn gallu troi—dychwelyd, os liciwch chi—yn fwy at system fwy cynaliadwy yn seiliedig ar borfa ar gyfer gwartheg a defaid. Ond, wrth gwrs, y broblem sydd gennym ni ar hyn o bryd yw bod y fath yna o gynnyrch ddim yn cael ei gydnabod gan y farchnad. Hynny yw, nid yw pobl yn fodlon talu'n ychwanegol am y cynnyrch sydd yn well—yn well iddyn nhw, yn well i'r amgylchedd ac yn well i'r anifail hefyd. A oes yna unrhyw beth, jest un peth, penodol y dylem ni ei wneud, felly, i gau'r bwlch yna rhwng y cynnyrch yna a'r cwsmer sydd yn fodlon talu am y cynnyrch yna?

[380] **Dr Fenwick:** Os gallaf i ateb yn gyntaf, y peth cyntaf y byddem ni'n gallu ei wneud ydy cydnabod y ffaith ein bod ni wedi cael 60 mlynedd, i fyny at 2004, o reolau sydd yna er mwyn sicrhau bwyd rhad a digon ohono fo i'r cyhoedd. Felly, nid ydy o'n syndod bod gennym ni fwyd rhad ac rydym ni ond tua 10 mlynedd i mewn i system sy'n ein symud ni i ffwrdd o'r fan yma. Felly, mae pobl sy'n dweud, 'O wel, nid yw ffermwyr yn *efficient*,' a'r fath yna o beth, wedi anghofio'r 60 mlynedd sydd wedi bod ers y rhyfel, sydd yna i wneud yn siŵr bod ffermwyr yn gallu cynhyrchu o dan bris y farchnad. Felly, mae'n rhaid i bobl gydnabod hynny a deall bod rhaid inni ffeindio ffordd i'n cael ni nôl i rywle lle mae'r farchnad yn talu am ein cynnyrch—

[381] **Simon Thomas:** Y broblem yw

agriculture in Wales could further turn, or return, to a sustainable system based on grazing for sheep and cattle. But the problem we have at the moment is that that kind of produce isn't recognised by the market. People aren't willing to pay a premium for better produce—it's better for them, better for the environment and it's better for the livestock too. So, is there anything specific that we should do to close that gap between the produce and the perception of the customer who is willing to pay for it?

Dr Fenwick: If I could answer, the first thing is to recognise the fact that we've had 60 years, up to 2004, of rules that are there in order to ensure cheap food in plentiful supply for the public. Therefore, it's no surprise that we have cheap food, and we're only 10 years into a system that's taking us away from that point. So, people who say, 'Well, farmers aren't efficient,' and so forth have forgotten the 60 years that came since the war, which were there to ensure that farmers could produce under the market price. So, people have to recognise that and understand that we have to find a way to get us back to a point where the market does pay for our produce. But we have to—

Simon Thomas: Well, the problem is

nad oes gennym ni 60 mlynedd, nac we don't have 60 years to do that, do
oes, i wneud hynny. we?

[382] **Dr Fenwick:** Na, a hefyd mae'n rhaid inni gydnabod ein bod ni'n gweithio mewn marchnad neu rydym ni'n gwerthu mewn marchnadoedd llawer mwy eang erbyn hyn. Mae bwyd yn cael ei lusgo dros y byd erbyn hyn. Felly, dyna un o'r problemau enfawr sydd gennym ni, ac yn enwedig ar ôl inni adael yr UE, sydd wedi ein hamddiffyn ni rhag pris marchnad y byd ers blynyddoedd.

Dr Fenwick: No. We have to recognise that we are working in a market or we're selling in much broader markets by now. Food is moved all over the world by now. So, that's one of the major problems that we have, and particularly after we leave the European Union, which has protected us from global market prices for some years.

[383] **Simon Thomas:** Nid wyf yn gwybod os oes gan Mr Davies rywbeth penodol.

Simon Thomas: I don't know if Mr Davis has a contribution there.

[384] **Mr T. Davies:** It's a difficult one. We have HCC in Wales, which are actually very good at marketing and promoting lamb. These are their figures, but 15 per cent of the lambs, which are the lambs that I produce on the mountain, don't meet the specifications of UK supermarkets. They're sold abroad; apparently a lot of my lambs go to Italy as a commodity. So, really, money needs to be directed into marketing these smaller percentages of lambs. They keep telling me, 'Produce bigger sheep; produce bigger carcasses.' We're up on top of the mountain. We have produced a lot bigger sheep over the last 20 years, but then we have more twins, so, actually, our amount of small lamb carcasses is bigger. But it really is the tastiest meat—it's grass produced. It's probably now just been slaughtered in December–January, so it's been around a little while and it's matured. It's really very, very good meat and it just gets sent abroad as a commodity, really, not even marketed as Welsh lamb. So, that's the problem. But I just think it's putting money into promoting that.

[385] **Simon Thomas:** The committee's heard evidence on that, so I'll leave it there for the moment, but it's clearly one we need to address.

[386] A gaf i droi at bwnc arall nawr If I could turn to another issue now
a gofyn ichi i gyd pa rôl sydd, yn eich and ask you all what role there is, in

barn chi, gyda'r penderfyniad i ymadael â'r Undeb Ewropeaidd, ar gyfer yr ucheldir yn benodol, a choetiroedd wrth gwrs, i ddatblygu gwarchodfeydd natur, i ddatblygu'r elfen fwy bioamrywiaethol ac ati, a hyd yn oed mynd mor bell â beth sy'n cael ei alw'n gwylltio neu ailwylltio, ac ailgyflwyno pethau sydd wedi eu colli o'r dirwedd yng Nghymru?

your view, given the decision to leave the EU, in the uplands particularly, and in woodlands of course, to develop nature reserves, to develop the biodiversity elements and even go as far as what's called rewilding and reintroducing certain species that have been lost from our landscape here in Wales?

[387] **Dr Fenwick:** A ydych chi eisiau i fi ateb yn gyntaf? lawn. Mae ailwylltio yn rhywbeth eithafol iawn—hynny yw, troi'r cloc nôl miloedd o flynyddoedd, ac rydym ni'n sôn am—lawn, daeth dynion i mewn miloedd o flynyddoedd yn ôl ac fe wnaethon nhw chwalu'r amgylchedd—mae hynny'n wir—ond fe wnaethon nhw greu amgylchedd newydd sydd yna, erbyn hyn, ers miloedd o flynyddoedd, ac sydd yn dibynnu ar amaeth ac anifeiliaid yn pori, ac yn y blaen. Felly, mae trio troi'r cloc yn ôl yn mynd i chwalu'r amgylchedd sydd wedi cael ei greu yn ddiweddar. Mae hynny'n cynnwys yr adar ac ati sydd, erbyn hyn, yn dibynnu ar amaeth ac yn dibynnu ar systemau o ffermio sydd gennym ni.

Dr Fenwick: Would you like me to go first? Okay. Rewilding is a very extreme measure—that is, turning the clock back thousands of years, and we're talking about—. Yes, people came in thousands of years ago and destroyed the environment—that is true—but they created a new environment that has been there for thousands of years and which depends on agriculture and grazing animals, and so forth. So, trying to turn the clock back is going to destroy the environment that has been created more recently. That includes birds and so forth, which, by now, depend on agriculture and the farming systems that we have now.

[388] **Simon Thomas:** Hyd yn oed gyda'r ffaith ein bod ni, fel rŷm ni newydd drafod, yn gorgynhyrchu yn yr ystyr yna, a rŷch chi wedi esbonio pam—mae 60 mlynedd o broses y tu ôl i hynny—onid oes lle i gael y ddau, i gael rhyw ardaloedd lle—ac efallai nad miloedd o flynyddoedd yn ôl—gallwn ni ailgyflwyno rhywbeth,

Simon Thomas: Given the fact that, as we've just discussed, we are overproducing in that sense, and you've explained why—it's a 60-year process that led to that—isn't there scope now to have both, to have certain areas where—and we're not going thousands of years—we could reintroduce something that's been

efallai, sydd wedi cael ei golli yn ystod y canrifoedd diwethaf. lost in the past centuries.

[389] **Dr Fenwick:** Rydym ni wedi gweithio ar brosiect cynefin—prosiect gwych iawn—y buaswn i'n eich annog chi i gyd i edrych arno fo, sydd yn digideiddio'r data o'r mapiau degwm. Os ydych chi'n edrych ar y data hynny, mae'n glir mai beth sydd gennym erbyn hyn ydy llai o amaeth, yn enwedig llai o amaeth yn yr ucheldir—lot llai o dir â'r yn yr ucheldir ac yn yr iseldir. Mae yna fwy o goedwigoedd ond llai o amrywiaeth y tu mewn i systemau amaeth. Felly mae'n bwysig iawn bod y rheini sydd yn awgrymu syniadau i drïo troi'r cloc yn ôl, neu awgrymu bod ffermio wedi gwneud niwed anferth, yn dechrau efo'r data ac edrych ar ba newidiadau sydd wedi digwydd yn hytrach na'r newidiadau y maen nhw'n meddwl sydd wedi digwydd. Wrth reswm, mae'n bwysig ein bod ni'n gweithio i greu byd gwell, ond mae'n bwysig i gael y ffeithiau'n gywir.

Dr Fenwick: We worked on a habitat project—an excellent project—and I would encourage you all to look at it, which digitises the data from the tithe maps. If you look at those data, it's clear that what we have now is less agriculture, and particularly less agriculture in the uplands—far less arable land in the uplands and lowlands. There's more forestry but less diversity within the agricultural systems. So, it's very important that those who suggest ideas to turn the clock back, or suggest that farming has done great damage, start off with the data and look at what changes have happened, rather than the changes they think have happened. Naturally, we should work towards creating a better world, but it's important to get the facts right.

[390] **Simon Thomas:** Beth am y gweddill?

Simon Thomas: What about the rest of you?

[391] **Ms Winder:** Can I suggest that we start by looking at rewilding in a slightly different format? If you looked at it on a scale so that No.10 would be Yellowstone National Park—the reintroduction of wolves and the way that the deer have responded and the regeneration of woodland and stuff like that: fantastic. It's not going to happen in the UK. The likelihood of us ever reintroducing wolves is nil. If we look at the other side—so, zero on our scale—it would be that horrible big arable prairie in East Anglia. Rewilding is actually moving a step further along that progression. Actually, in the whole of the UK, we're probably not at anything much past No. 4. So, in East Anglia, what we would be doing is trying to put hedges and trees back in to stop soil

erosion and to increase water filtration. In the uplands, we're perhaps looking at, not more woodland, but a more equitable restoration of an ecosystem, so that it's a functioning ecosystem, so that it stops the water running off and taking all the soil off. That is what rewilding means.

[392] We've reintroduced pine marten. Pine marten: they're not going to come and eat you—honestly, they really aren't. We might get around to reintroducing beaver; they're fantastic for water management and they're really good at stripping out the phosphates and nitrates, which are costing the water companies so much money. It's great. I know there are problems with the farming community, but we can work around that and we should not be frightened of it.

[393] **Mark Reckless:** Isn't another way of thinking about rewilding that there is simply no money for this type of support and management and what happens there?

[394] **Ms Winder:** Yes. So, we're back to: how do we get payment for those services and how do we achieve that? That is our big issue. The fact that the major beneficiary of this is the tourist; they don't pay anything for it. We have, in various places—the Lake district, the Yorkshire Dales national park—tried to get tourists to pay an extra percentage and it hasn't worked. So, how do we achieve that? That's the biggest thing.

[395] The other thing that we need to look at is the fact that we have a history of putting into place the common agricultural policy from the EU in a very agriculture-focused way, and we haven't really taken up the rural development element of it. There is no reason why, in Wales, we couldn't say that rural communities, upland communities, are important and we should support them. But how do we get that support in place so that we actually keep people [*Inaudible.*]?

[396] **Simon Thomas:** I appreciate that. What I'm trying to get to is whether you feel—. I accept the scale of rewilding, and I should declare an interest as I'm a species champion, as they call them, for the pine marten—

[397] **Ms Winder:** Oh, right. That's fantastic.

[398] **Simon Thomas:**—so I've looked at and visited the area in Ceredigion, where I live, where they've been reintroduced. Clearly, there could be an interest in tourists in seeing that, or being able to track pine martens in the

wild on screens and all that kind of thing. That could work very well, but what I'm trying to understand is whether that is something that we should be actively pursuing as one of the tools—not the whole tool, because I'm not advocating wolves and bears—post Brexit, to try and deal with that complex range of challenges that upland farm managers of all kinds will face. At the moment, we're doing it as one-off projects. We're not doing it, I would suggest, as an integrated approach to our environment.

[399] **Ms Winder:** And that is where the role of the Government should come in, in actually providing that integration. The Forest of Bowland, at one point, when the countryside stewardship scheme, about 10 years ago, was much more broad, actually looked at trying to integrate so that you had your spots where there was a reintroduction or something, and then you looked at your B&Bs and you looked at how you went on horseback from one to the other and made sure that was achievable, and then did the publicity around it so that you could bring it all together. If you look at the red kite farm—whose name I've forgotten—it brought it hundreds of people into that area, and if we'd done more work at the time to broaden that network—. It happened by default and people set up B&Bs around it and it brought people in. But we could have done more, potentially, to make that an integrated whole. That is the role of the Government. Those individual schemes might be something that you do on your own, but it's trying to look at that holistically and make that an integrated whole that I think is key.

[400] **Mark Reckless:** Can I ask if any other members of the panel have any very quick comments in response to Simon's question?

[401] **Mr Bishop:** I look at rewilding as a process not an outcome. I think you should first decide on what your outcomes are, and then you decide on the process by which you achieve those outcomes. Rewilding could have many different outcomes, particularly in the uplands—it could be just grass, it could be scrub, it could be gorse, it could be trees. It largely depends on what the seed source is nearest to it to make it rewilding. Certainly, rewilding would not give us any economic opportunity. That's outside the tourist—

[402] **Simon Thomas:** Unless we had a tourism [*Inaudible.*] possibly, but there we are.

[403] **Mr Bishop:** One of the biggest tourist attractions up in north Wales is Llandegla woodland—commercial timber production of 6,000 tonnes a year, 250,000 visitors a year.

[404] **Ms Winder:** But why is rewilding not paid for paying for ecosystem services? It's entirely possible, and that's what we need to work at.

[405] **Mr Bishop:** It could be possible, but we haven't got there. And it's about what you actually attain, because you're trying to use a system to create something that's taken thousands of years to actually establish. I just think we could say, 'Walk off the land and rewild it', and, actually, what we get in 20 years' time is not actually what we looked at and what we wanted.

[406] **Simon Thomas:** I think that's a useful way to put it—to say that you have to think about the outcomes you want to achieve. So, the outcomes might be, for example, climate change mitigation, and then what we need to do is to look afresh at the steps we need to do it. We've had a rather technological, almost engineering approach to some of these questions sometimes, rather than a more holistic approach. I'm interested in this concept of rewilding, and—as I say, I'm not going to the bears and wolves end—whether that can be part of, and whether there are other, spin-off benefits, particularly around tourism and opening up the countryside from that. Making that work financially is another thing.

[407] **Mark Reckless:** I'll give Tony Davies 30 seconds and then the last words to Nick Ferwick.

[408] **Mr T. Davies:** I haven't actually answered this question at all yet.

[409] **Mark Reckless:** I recognise that, Tony, but we are very short of time.

[410] **Mr T. Davies:** So, as you've mentioned, upland farmers, yes, we are doing it though environmental schemes already in a small way, but, yes, we're businessmen, we're entrepreneurial. If the opportunities are there—we have streamside corridors and we have small areas of rewilding—we will do more. We're quite happy to do more, but it has to pay. That does mean the Government putting money into paying us to do it. But we're open to all sorts of things like that, and we enjoy doing it. Lots of farmers are involved with tourism as well, so sometimes there is a small direct connection with getting more people out into Wales's countryside and uplands.

[411] **Mark Reckless:** And Nick.

[412] **Dr Fenwick:** I think it would be to everyone's benefit if some of the

species people talked about reintroducing were less controversial—maybe some of the more boring small brown things that are less aesthetically pleasing. I think that causes huge conflict. There's some excellent work that our members are involved with in some areas with regard to black grouse, for example. There are a number of species like that, which aren't controversial, that everyone would love to see coming back because they remember them in their childhood, and yet there's a focus on controversial animals, with beavers being one big problem. I was glad, before Christmas, to read the Wildlife Trusts acknowledging that, ideally, you don't want beavers near residential areas or roads, railways or bridges, et cetera et cetera. That highlights why farmers are so worried about beavers. I don't think it's a coincidence that those who want to reintroduce beavers sell the issue of delivering environmental goods and water cleanliness. I'm not saying it's not true in all cases. I'm not dismissing it, but I would just say, beware of Greeks bearing gifts.

13:45

[413] **Mark Reckless:** On that note—

[414] **Ms Winder:** Charming. [*Laughter.*]

[415] **Mark Reckless:** —thank you to all four members of the panel. I'm sorry we couldn't continue any longer.

[416] I will also ask to have the new panel come in as well.

13:47

**Ymchwiliad i Ddyfodol Polisiâu Amaethyddol a Datblygu Gwledig yng
Nghymru—Cymunedau Gwledig
Inquiry into the Future of Agricultural and Rural Development Policies
in Wales—Rural Communities**

[417] **Mark Reckless:** Welcome. Thank you all very much for joining us. First, could I apologise that the session is not longer? We have to wrap up by 2.30 p.m, but I'm so pleased you're here because I think, so far in this inquiry, we've heard a lot from various people who use the land for specific things—a lot of economic sort of interests, with tourists coming in—but I haven't felt we've had sufficient representation from those who live in rural areas, particularly on the rural development programme. We have certain funding

and benefits, community halls et cetera, that go to people there—what’s going to happen with that money in the future? But with a representative—a number of you—for those who actually live in the rural areas, it’s very important that we hear from you as part of our post-Brexit agriculture and rural development inquiry.

[418] Could I start by asking: what’s your vision for how you would like to see our rural areas develop outside of the European Union, given the vote that we had on 23 June last year? Shall I start with Dafydd?

[419] **Mr Gruffydd:** Yes, vision—much in the way I would have liked to see it before Brexit, really, potentially—I think maybe 10 years ago, we were looking at incremental improvements to rural areas. I think that the game now has changed, whereby we need more radical innovative solutions in rural areas. So, we have more of a cohesive approach, whereby communities take ownership of their utilities, of their businesses and of their services. So, we find a way of bringing all these together.

[420] At the moment—and I work in Gwynedd and Anglesey—you have a library closing there, you have a museum closing there, you have the young farmers closing there, and it’s almost firefighting. I think that if you can step back and take more of a complete approach to it—. We’ve got two examples in Gwynedd where we worked with Bethesda and Llanberis, and within two months they raised £750,000 for two hydro schemes. Ninety per cent of that money was raised within 10 km of those two villages. These are poor areas, but they’ve been motivated and they’ve responded to the challenge of raising that money. That’s good in terms of green energy, but also it shows what can be done where you can get people together to respond to that challenge. And if you have that platform, you can do other things as well. So, then you could look at using the money from those types of schemes to fund your library, to support your young farmers, to support a young business starting up. I think the days of waiting for the cavalry to come over the hills have gone, certainly now, possibly, with Brexit. So, I think they have to look inwards. I’m quite a fan of things like internal investment rather than inward investment. We’ve got a group in Pen Llŷn, called Be Nesa Llŷn. There, you’ve got 10 business people who have come together to put money into a pot and invest in local businesses. They’ve taken that mantle on and you’ve got some very wealthy people in rural areas, supposedly poor rural areas. You’ve got Hugh Evans from Bodrydd, and he’s one of them. They’ve taken the challenge and they want to respond with their own money to invest in their own entrepreneurs locally. So, I think it’s just this recognition that we aren’t

going to be saved by the cavalry; we have to respond to the challenges and we have to collaborate and look at innovative solutions to the challenges facing communities in rural areas.

[421] Mark Reckless: And Jamie, what would you say with the perspective you've got from the Welsh Local Government Association?

[422] Mr Adams: Well, much of what I would say would accord with what Dafydd has said. It probably reflects some of the challenges specifically to local government that are around probably a generational dependency on services, whereby many of the services that local authorities have provided they've been expected to provide, and that expectation has probably grown over a couple of generations, and that role has probably been fairly readily accepted by local government, to be quite frank, over that period. We're on a very different juncture now with local authority funding coming under severe pressure and we are having to have some difficult conversations with the communities that we provide services to and suggesting that we're going to have to do this in a very different way. Local authorities will probably move in many regards from being the provider to being either a commissioner or a capacity builder, which is something, perhaps, that accords with what Dafydd has been saying to you.

[423] So, it's about enabling communities to start to provide solutions for themselves and also, perhaps, to consider how we anchor people in communities as well. The depopulation of young people from rural areas is not new: it's been going on throughout my lifetime, which is more years than I'd care to share, in a sense. But it's something, particularly where I'm based in Pembrokeshire, that's almost like a brain drain. There's no question that we are finding that acceleration is increasing in terms of young people leaving areas like Pembrokeshire. There are some solutions to that and, coincidentally, they could well be the same solutions to public services in a way as well. They're around IT, around broadband capacity and mobile capacity. I know that national Government are talking about the opportunity for roaming in not-spots. Well, I'm a huge advocate of that because I do think that that will allow young people to stay connected, to look at innovative businesses, which provide very good incomes, but it also anchors them in their rural communities as well. In terms of local authorities, why is it important? Well, much of the way that we provide services has been very traditional, face-to-face interaction, and a lot of that can be moved to an IT platform, whereby we can provide services in a less expensive way but still provide access to people who live in remote areas.

[424] **Mark Reckless:** Thank you. I'll take that as an introduction, but I won't go to each witness for every question. If I could move to Simon Thomas, and for those of us who require translation, it is on channel 1.

[425] **Simon Thomas:** Diolch, **Simon Thomas:** Thank you, Chair. I'd like to start with comments that I've heard you make, Mr Adams, several times in public places recently, namely that possibly in the past the common agricultural policy and the single payments to farmers have held back innovation and the ability to be flexible and the ability to look for new ways of working in rural Wales. Therefore, do you have any ideas, or any hope, that this decision to leave the European Union will now lead to release some of these voluntary bodies, but also local authorities, to be more innovative in the way that they provide public services? I think you've hinted that that was possible in the answer you gave the Chair. So, can we have some more meat on the bones in terms of these ideas, possibly, if at all?

Felly, a oes gyda chi unrhyw syniadau, neu unrhyw obaith, y bydd y penderfyniad yma i adael yr Undeb Ewropeaidd nawr yn arwain at allu rhyddhau rhai o'r mudiadau gwirfoddol, ond hefyd awdurdodau lleol, i fod yn fwy arloesol yn y ffordd maen nhw'n darparu gwasanaethau cyhoeddus? Roeddech chi'n 'hint-io', rwy'n meddwl, fod hynny'n bosib yn yr ateb yr oeddech yn ei roi i'r Cadeirydd. Felly, a gawn ni fwy o gig ar rai o'r syniadau yma, os yn bosib o gwbl?

[426] **Mr Adams:** You'll recall, Simon, that a little while ago I intimated that perhaps CAP funding and the way that it's been applied has probably stifled innovation in the agricultural sector. I'm a farmer and I see it around me, frankly, whereby the historical nature of CAP payments either underpin some poorly performing businesses or, secondly, simply put additional income into those who've retired from active farming. So, in that regard, I think that there's clearly been a logjam in terms of the availability of land to younger people or to people who are new to the agricultural industry, and it's demonstrable, really. I was talking to a land agent earlier in the week about the impact that first-generation farmers can have within the industry. They have very little worry about the family silver, if you like, if you want to put it

in that context, so are far more entrepreneurial and far more willing to risk, and business is about risk. Having those shackles taken off decision making, I think, is healthy and I could point to some good examples locally of that.

[427] But I'd also play that across, because I know that a previous Minister within Welsh Government, Alun Davies, was keen to shift some of the reliance on CAP funding, and rightly—I think, even as a farmer, I would acknowledge that—to start to underpin other areas within the rural economy and to start to build capacity and opportunity within those areas. It's interesting as to whether any future payment regime should be as fixed on a pillar 1 or pillar 2, or which way that would work—

[428] **Simon Thomas:** But we don't need to think about things in that way anymore.

[429] **Mr Adams:** Well, not in a sense. I think there needs to be a bit more of cross-fertilization between the thinking so that it's not straight jacketed. I believe the period we're going through now, with the flat-rate base payments in agriculture, has started to ask questions of some of those businesses that have largely been reliant on the subsidy side of income. The cross point is that it may well increase the price of food and I think that we have to be accepting of that point if we're recognising that there needs to be active agriculture in Wales.

[430] **Simon Thomas:** I just wondered if other witnesses thought that that dynamism could come about and how we might achieve that, really.

[431] **Mr Edwards:** I certainly think that—. As a member of a local authority and I've also been a past member of a national park and sat on flood risk boards in the past, I think there's been too much restriction, too much influence, by separate bodies wanting to carve up Wales in a way that wasn't really sustainable. I sat on, for a long period, when we had the spatial planning within the industry—. I think land use in Wales has got to have a very long-term vision, and you need that flexibility as part of that. Education plays a key role in this. So many of our young people are not educated about the value of what they have in Wales. I've also worked for Zip World—now trying to get young people to be good employees for a company like that, which can exploit what we have in Wales as natural resources. They're not aware of what we have, so education is to play a key role in keeping our young people in rural areas, because, without young people, the rural areas will become dormitories. I've seen, with successive grant funding, that it's

the older farmers who have stayed in agriculture. At one time, there was a retirement scheme—I thought that had merit—as suggested by the Minister at the time, but that came to an end.

[432] We do need to make sure that the rural areas of Wales are viable. We need to make sure that the national park plays their part. They've been very restrictive in the past with things that can happen there. Part of the reason why connectivity is not good in rural areas is because the parks are very restrictive on mobile phone masts. We do need to have a far more flexible approach to make sure that Wales is empowered. You know, we're a small nation; with proper Government thinking, we could be a far more proactive country, but it does need less policy and more flexibility, as far as I'm concerned, and I'm a farmer as well. So, we need to look at how we can release the resources we have, the natural resources, the people of Wales, that bit of freedom we need, by having less. I've been involved with the CAP for an awful long time and with the European funding, and WEFO made it doubly difficult to deliver that funding we had, you know, the third period of European funding. It's a shame that we're still having to have European funding, because it hasn't proved its worth, has it? Because there's been too much interference by the Welsh Assembly Government, by WEFO, in delivering that funding.

14:00

[433] **Mr Peppin:** I think, if I can add, you said about innovation. I think that we have got opportunities: we've got the well-being of future generations Act, which sets out that sort of framework for this. The environment Act is encouraging us to look at sustainable management of natural resources, and now there's a real opportunity to look at this funding in terms of things like payment for ecosystem services, which we've talked about for a long time, but we haven't actually been able to do anything in a substantial way. If this opens the door to have a look at some of those, there are all sorts of income streams, potentially, for rural areas, in relation to carbon sequestration, timber, food production, renewable energy production, which can start to identify income streams that come in and supplement the agricultural income.

[434] **Simon Thomas:** A ydy LEADER **Simon Thomas:** Is LEADER leading yn arwain? here?

[435] **Mr Gruffydd:** Ie—[*Anhyglyw.*] **Mr Gruffydd:** Yes—[*Inaudible.*] I know

Rydw i'n gwybod mai ein gwaith ni wastad wedi bod yn haws pan fo yna bach o greisis yn y diwydiant ffermio, achos bod gennym ni gynlluniau i weithio gyda tylwyth fferm, merched fferm, yn datblygu cynnyrch bwyd newydd, ac mae hyn wastad yn haws pan fo prisiau ŵyn a prisiau bîff yn isel. Pan fyddan nhw'n gwneud pres da, mae llai o ddiddordeb yn y cynlluniau yr ydym ni'n eu rhedeg.

that our work has always been easier when there's something of a crisis in the farming industry, because we've schemes for working with farming families, women in farming, developing new food produce, and it is always easier when the price of lamb and the price of beef is low. When they're making good money, then there's less interest in the schemes that we run.

[436] Nid wyf yn ffan o *Brexit*, ond un peth rydw i'n ei weld a allai godi o *Brexit* ydy newid ac, yn aml iawn, allan o newid mae rhywun yn cael allbynnau annisgwyl. Felly, bach o greisis, ac wedyn efallai fod yna le i gynlluniau'r un fath â LEADER, efallai weithiau sy'n cael ei weld fel cynllun eithaf meddal, ond mae'n gallu ymateb i sefyllfa reit sydyn. Adnabod y cyfleoedd sy'n codi o'r newid sy'n deillio o *Brexit* a manteisio arnyn nhw, onid yw e? So, dyna lle y gallai cynllun yr un fath â LEADER fod o fudd.

Now, I'm no fan of Brexit, but one thing that I see could arising from Brexit is change and, very often, from change one gets some unexpected outputs. So, a little crisis and there may be scope for schemes such as LEADER, which are sometimes seen as quite soft schemes, but they are responsive and they can identify the opportunities arising from Brexit and take advantage of them. So, I think that's where a scheme such as LEADER could be of benefit.

[437] **Simon Thomas:** Jest un cwestiwn bach penodol: a ydych chi'n credu bod angen cadw'r cyswllt rhyngwladol neu Ewropeaidd, neu beth bynnag yr ydych chi eisiau ei alw fe, y mae LEADER a chynlluniau eraill yn eu gwneud er mwyn cadw'r cyswllt ynglŷn ag arfer da, arloesedd, pethau da—nid jest yng Nghymru, ond y tu hwnt, felly?

Simon Thomas: One specific question: do you believe that we need to keep the international or European link, or whatever you want to call it, that LEADER and other schemes have in order to keep the link in terms of good practice, innovation, good things—not just in Wales, but beyond that?

[438] **Mr Gruffydd:** Wel, ydw, yn sicr. Mae cannoedd o grwpiau LEADER

Mr Gruffydd: Well, most certainly, yes. There are hundreds of LEADER

drwy'r Ewrop i gyd, ac mae yna gwestiwn ynglŷn ag a ddylai hi fod yn bolisi Prydain neu Gymru, ond mae gan Gymru lawer yn gyffredinol â sawl gwlad arall yn Ewrop, a buasai colli hynny'n golled fawr. Nid wyf yn mynd ar gymaint o deithiau ag y buaswn i'n hoffi, ond mae yna gysylltiad agos iawn rhwng grwpiau LEADER yng Nghymru ac ar draws gweddill Ewrop, felly mae'n bwysig iawn.

groups across Europe, and there is a question here as to whether there should be a UK-wide policy or a Wales policy, and Wales has a great deal in common with many other nations in Europe, and losing that would be a great loss. I don't get to travel as much as I would like, but there are close links between LEADER groups in Wales and across the rest of Europe.

[439] **Simon Thomas:** Océ.

Simon Thomas: Okay.

[440] **Mark Reckless:** Good. Can I bring in Vikki Howells, please?

[441] **Vikki Howells:** Thank you, Chair. First of all, I'd like to ask about the European Economic and Social Committee's concern that the rural development programmes in marginal areas, they say, lack the structural capacity to capitalise on the funds, and I wonder if you would like to comment on that.

[442] **Mr Peppin:** If 'marginal areas' is referring to west Wales and the Valleys in the context of the European Union, I think the structures probably are there. If it's talking about more marginalised communities and small scale at the local level, then, yes, I think that, at some local level, there are issues of capacity in dealing with it. So, it depends, really, on what the definition of 'marginal area' is in that report.

[443] **Vikki Howells:** Anyone else?

[444] **Mark Reckless:** Anyone else on that? You've stumped them, Vikki.

[445] **Vikki Howells:** Okay. Could I follow on with an unrelated question, then? It's something that has really been flagged up with us on our visits as a committee to farms, and that's the issue of succession planning. The EESC has recommended that succession planning in rural communities needs to be addressed, and I wondered if any of you had any views about how that future policy might in fact be shaped.

[446] **Mr Edwards:** Can I just come in quickly on that? Formerly, as a local authority, we had rural farms; we had farms that the council owned. In Conwy, unfortunately, we're down to 10. A lot of the members would like to see that sold off, because local authorities are having to—. You know, their budgets are under massive pressure. They see that as a quick cash cow to protect services. I would like to see the Welsh Assembly Government giving far more incentives to local government to support young entrants into agriculture, and I think young entrants are the way of getting diversity into rural communities. So, any scheme that the Welsh Assembly can put forward to encourage counties to manage their farms better to help young entrants into agriculture would be a big step forward.

[447] **Mr Adams:** I am aware that Farming Connect is very supportive in initiatives to facilitate those conversations. They tend to be difficult conversations very often in farming circles, and it's probably due to the value of land and the value of holdings—so, recognising that. But I think also that there may be different ways to approach the matter in terms of share farming agreements between the generations within a family, so that there's a gradual transfer of the asset rather than a single handover. And I think those softer approaches may be some of the things that are needed and some of the thinking that's needed to take the stigma out of discussions around both succession and inheritance itself, which I think is a—. You know, there are taxation implications to that as well.

[448] **Mark Reckless:** Sian, a quick follow up.

[449] **Sian Gwenllian:** Jest ar y pwynt yna ynglŷn ag olyniaeth, pa mor bwysig ydych chi'n credu ydy llacio rhywfaint ar y system cynllunio o safbwynt ei gwneud hi'n haws i deuluoedd gael caniatâd cynllunio ar gyfer adeiladu ar y fferm? Mae'n anodd iawn, iawn rŵan i fynd drwy'r—. Mae'n bosib, ond mae yna gymaint o wahanol bethau mae rhywun yn gorfod eu gwneud. A fyddai hynny yn rhywbeth syml a fyddai'n gallu newid y sefyllfa?

Sian Gwenllian: Just on this point regarding succession, how important do you believe is relaxing the planning system in terms of making it easier for families to get planning consent to build on the farm? It's very difficult now to go through—. It is possible, but there are so many different things that people have to do. Would that be a simple measure that would change the situation?

[450] **Mr Edwards:** Yn sicr, mae yna **Mr Edwards:** Certainly, there are

lot o ofynion ar gais cynllunio y dyddiau yma; mae wedi mynd yn drwm iawn ar geiswyr. Mae eisiau rhoi yr *environmental appraisals* i mewn; mae eisiau bob math o waith ychwanegol i fewn efo'r cais. So, mae hynny yn gost i deulu ifanc sydd, er enghraifft, yn meddwl am ddatblygu darn o dir yn eu hacr sgwâr. So, mae'n bwysig nad oes gormod o bwysau ar yr ymgeisydd neu fod y camau yn rhy drwm. Fel aelod o'r parc cenedlaethol yn y gorffennol, mae'n rhaid i'r parc sylweddoli os ydy'r parc am fod yn gynaliadwy bod yn rhaid iddyn nhw ddatblygu. Mae'n rhaid iddo fod yn lle byw; chaiff o ddim bod jest rhyw barc lle mae pobl yn *visit*-io fel rhyw fath o *museum*, mewn ffordd.

great burdens on those making applications for planning permission at the moment. You need environmental appraisals; you have to do all sorts of additional work along with your application. That's an additional cost for a young family, who are, perhaps, considering developing a piece of land in their own square mile. So, it's important that there shouldn't be too much of a burden on the applicant and that there aren't too many hoops that they have to jump through. As a member of the national park in the past, if the park is to be sustainable, it has to realise that it has to develop. It has to be a living place; it can't be just a park that people visit like some sort of museum.

[451] **Mr Adams:** If I may answer as well, I do think that more can be done to support that opportunity, but I also recognise the other challenge around that, about development in open countryside, and about ensuring that it is appropriate and that it is underpinned correctly in terms of the safeguards. And perhaps some of those need to be thinking about some of the fall-back positions around the facilitation of additional dwellings on holdings, whether they're directly related to agriculture or to other rural-based elements that require residence in that area. It's difficult, and I know there are inevitably cases that come forward where people look to lift agricultural restrictions. You know, that sort of behaviour, if I can call it that, isn't helpful in that process. So, I think perhaps those in rural areas or those in the farming industry who are tempted to do that need to understand as well that they are actually undermining the position for other people in the future.

[452] **Sian Gwenllian:** I'm talking about specific examples of people who are sons or daughters of farmers, and who do work on the farm and do want to progress into the agricultural industry but are hindered, because trying to prove that point is so difficult at times. It's a simple thing that, maybe, if we take some of that away, it would help.

[453] **Mr Adams:** I don't disagree with that point.

[454] **Mr Edwards:** The only other issue on planning is that, again, with my local government hat on, having spent—as chair of the local development plan committee, trying to put our LDP together in Conwy was very painful and an awful lot of consultation across the board went into that, and only to have that adopted but, before the ink was dry, to have technical advice note 1 come in. It's like you were throwing a grenade into the whole thing, which has meant that quality agricultural land outside the LDP is now being lost because developers are seeing that TAN 1 as an opportunity to develop in inappropriate places. And that, again, at the whim of a Minister, it might have been, who said, 'We need to build all these houses'. We need the houses, but they need to be in the appropriate places, not just opening it up to developers to build anywhere and everywhere.

[455] **Mark Reckless:** Can I turn to Vikki just to clarify, I think, one point you had on your marginal areas?

[456] **Vikki Howells:** Yes, certainly. With regard to my first question about the marginal areas, it might help if I explained that what we're looking at there are marginal areas both in terms of being peripheral, so remote geographically, but also economically marginal. So, I don't know if that would assist—

[457] **Mr Gruffydd:** Can you repeat the question, with that definition?

[458] **Vikki Howells:** Yes, certainly. So, the European Economic and Social Committee said that they were concerned that the rural development programmes in marginal areas—so that's geographically marginal and economically marginal—lack the structural capacity to capitalise on the funds. So, I don't know if that would help any of you in putting together—

[459] **Mark Reckless:** Is that a fair criticism, do any of you feel, from the EESC, or not something you see yourselves?

[460] **Mr Peppin:** In terms of being able to capitalise on the funds, I think match funding can be an issue in that, if there is a need for match funding to draw in the resources and those match funds are drawn to more urban areas, for example, that could be a problem for some of the more rural, remote communities in being able to take advantage of the opportunities.

[461] **Mark Reckless:** Perhaps that's what the EESC are getting at.

[462] **Simon Thomas:** It may be, I would suggest, that with the LEADER groups in our local authorities, we've actually been able to cover some of the marginal areas in Wales and maybe we've got a better story to tell on that.

[463] **Mark Reckless:** Well done, gentlemen.

[464] **Mr Edwards:** I think a lot of community groups that were looking to look at community enterprise in these marginal areas have found it very difficult to get through the bureaucracy in applying for funding. That certainly hasn't been easy. And, as was said by James, as local authorities' resources are getting less and less, we are going to be commissioning, and we need to look to support community enterprise so that funding, the seed money for community enterprise, needs to be far more easily accessible.

[465] **Mark Reckless:** Can I bring in David Melding?

[466] **David Melding:** Thanks, Chair. In the current CAP round, the Government, the Welsh Government, decided to transfer 15 per cent from pillar 1 to pillar 2, the highest in the UK, and I don't think there are many other parts of Europe that followed this course. And, in the debates running up to that decision, the Welsh Government, in fairness to it, stressed very much the desirability of strengthening the resilience of the Welsh rural economy. I just wonder are we seeing any evidence of that at the moment. Are there grounds to expect us to perhaps be able to cope with some of the turbulence of Brexit because this decision was made?

[467] **Mr Gruffydd:** It's very difficult to answer this question, because we've had austerity, and austerity, I think, is now kicking in in north Wales especially. So, given that context, to ask whether it can be resilient in the face of Brexit is challenging. It's probably not a good time for Brexit to happen—put it that way.

[468] **Mr Adams:** I think it would be difficult to answer positively to your question, but I don't know that you could, as Dafydd has said, totally lay the blame for that position on that decision. I don't think that would be fair to do. I think there are many more criteria that are affecting the position of rural Wales, and I'd probably reiterate a point I made earlier, around this has resulted in an ageing population within rural areas. From an authority perspective, that's increasing dependency in hard-to-reach places, frankly,

and so the cost of delivering our services into those areas, at a time when we're reducing budgets, is actually going to increase unless we show some innovation, and my suggestion around broadband telecommunication capacity is all-important in terms of allowing us to think of some different service models.

14:15

[469] Coming back to a point made earlier—should we mirror the rest of the UK in a post-CAP policy—I believe we need to be a bit more creative, and I would support some creative thinking in that. One of the other major concerns, particularly in Pembrokeshire, to agriculture is that of nitrate vulnerable zones. I think that has the potential to significantly harm the economic well-being of rural communities. There's a decision to be made about the area it affects, but certainly from a purely agricultural perspective, the reductions that would be required in stocking rates would take a lot of farm businesses out. So, that potential is there to actually really harm the economic well-being of the county.

[470] **Mr Edwards:** To add to that, I think the Welsh Assembly missed a trick when we had all the European funding: they didn't ask for dispensation for that money to be spent on infrastructure. Certainly, if that money could have been spent on connectivity, on better infrastructure, that money could have been much better spent and we could have seen a much healthier rural Wales, but they didn't choose to go down that line, and the 15 per cent that was top-sliced into pillar 2, a lot of it seems to be by administration. The cost of the burdensome administration has taken a lot of that funding. It hasn't got directly into where it went with CAP—straight into the farmers' pockets and back out into the rural community. Farming Connect has its merits, but some of those schemes are very heavy in administration costs.

[471] **Mark Reckless:** Can I bring in Jayne Bryant?

[472] **Jayne Bryant:** Thanks, Chair. Councillor Adams touched on this, actually, in his response to one of Simon's questions earlier. It's on pillar 1 and pillar 2. I just wondered if you could elaborate on this as well. Do you believe that separate pillar 1 and pillar 2-style payments should be made under any future policy or do you agree that a more integrated approach would be more beneficial?

[473] **Mr Adams:** I think, initially, I would suggest that an integrated

approach is probably the most beneficial, as I think that it gives an opportunity for us here in Wales to consider the outcomes that we need or desire and then to put a regime in place to support those outcomes. I would advocate an eye on the future rather than history, which has been the position of CAP funding largely since its inception in the early 1970s. It was effectively trying to catch up with, first of all, over-production, and then trying to encourage a step-down from that production. I think we need to be a bit smarter in how we are able to apply any support regime that we may wish to in Wales, so that it's underpinned by good market understanding and underpinned by good social thinking in terms of how we wish to retain active communities, which is important, because if we have stagnant communities they're not attractive to young families and younger people generally. Those are the sorts of considerations that I would wish to see. I think we need a fairly broad discussion around that before we start to draw some lines around whether they're pillar 1 or pillar 2-type initiatives. It may be that those lines aren't necessary if the discussion can be almost mature enough to gain acceptance from those in the farming community, those in the rural community and others that have an interest in terms of ensuring that the countryside of Wales works as a whole.

[474] While we were waiting, one of the interesting comments I picked up on was that about the landscape of Wales, and I don't think that should ever be underestimated. You know, it is a managed landscape and it's managed by farmers, but it's very attractive to tourists. I think that that interface needs to be understood, accepted and worked upon as well.

[475] **Mark Reckless:** Tim.

[476] **Dr Peppin:** I totally agree with what you said there. The one thing I would add is that if we moved from the pillar 1, pillar 2 system to an outcomes-based system, there may be a need for some sort of transitional arrangements, because the danger is that you bring in a new system and there's a sudden change that then impacts on practices in a negative way. So, as long as there's a thought-out path from where we are to where we want to go, I think that would be the way to take it.

[477] **Mark Reckless:** Let's go to Sian, who I think's got questions to close the session.

[478] **Sian Gwenllian:** Diolch yn fawr **Sian Gwenllian:** Thank you very iawn. Roeddech yn sôn am *outcomes* much. You talked about the

unrhyw system newydd. A ydy un o'r *outcomes* yna yn ymwneud efo'r iaith Gymraeg a pharhad yr iaith Gymraeg? Achos, yn amlwg, mae'r cysylltiad traddodiadol, beth bynnag, rhwng cryfder y Gymraeg a ffyniant y cymunedau gwledig yn un pwysig. Er, efallai bod hynny'n newid i raddau, fel y mae rhywun yn gweld twf y Gymraeg yn rhywle fel Caerdydd, ond yn sicr mae'r ardaloedd gwledig yn ganolog i ffyniant y Gymraeg. Felly, pa fath o bolisiau a ddylid eu cynnwys fel rhan o'r pecyn rwan wrth symud ymlaen?

[479] **Mr Gruffydd:** Rhywbeth rydym ni wedi ei ddefnyddio yn aml yn LEADER ydy: y pethau sy'n ein gwneud ni'n wahanol sy'n ein gwneud ni'n ddiddorol.

[480] The things that make us different make us interesting, make us marketable.

[481] Rydym ni wastad wedi gweld y Gymraeg fel unrhyw adnodd arall i raddau helaeth, fel pobl ifanc, fel bwyd, fel cynnyrch lleol, fel ein treftadaeth, ein hanes ac yn y blaen. Wedyn, rydw i'n meddwl, yn sicr yn drwy'r cynlluniau rydym ni wedi bod yn gweithredu, rydym yn ceisio gweld y budd a chydnabod budd economaidd i'r Gymraeg, a gweld sut y mae modd ei defnyddio fel adnodd i'w werthu, i'w werthfawrogi a'i ddefnyddio mewn amryw o sefyllfaoedd. Felly rydw i'n meddwl bod y Gymraeg yn rhan annatod o'r

outcomes of any new system. Does one of these outcomes involve the Welsh language and the continuation of the language? Because, obviously, the traditional link, anyway, between the strength of the Welsh language and the prosperity of rural communities is a very important one. Although, perhaps that's changed somewhat, as we see a growth in the Welsh language in places such as Cardiff, but certainly the rural areas are central to the prosperity of the Welsh language. So, what kind of policies should be included as part of the package now going forward?

Mr Gruffydd: Something that we, at LEADER, have used often is that the things that make us different make us interesting, and make us marketable.

We have always seen the Welsh language as any other resource, such as young people, food, local produce, our heritage, our history, and so on. Then, I think, certainly in the programmes we have been implementing, we try to see the benefits and identify the economic benefits of the Welsh language, and see how it can be utilised as a resource—something that can be sold, appreciated and used in various circumstances. So, I think that the language is an integral part of the communities where we work. It is not

cymunedau rydym yn gweithio ynnddynt. Nid ydyw ar wahân i'r cynlluniau eraill rydym ni'n eu hyrwyddo ac yn y blaen. Felly, fel yna rydym ni wedi bod yn sbïo ar y Gymraeg yng ngwaith Menter Môn.

[482] **Sian Gwenllian:** Felly cryfhau'r gymuned er mwyn cryfhau'r Gymraeg; mae o i gyd yn un cylch.

Sian Gwenllian: So, strengthening the community in order to strengthen the Welsh language; it's all one circle.

[483] **Mr Gruffydd:** Ydy, mae o i gyd yn rhan ohono fo. Ond o ran y balchder, o ran cysylltu'r balchder efo'r iaith, cysylltu llwyddiant, budd economaidd—. Un peth mae LEADER yn trio ei wneud ydy ymateb i her, ac un o'r problemau mawr sydd gennym ni ydy diffinio 'her'. Achos, yn aml iawn, mae rhywun yn gweithredu lot o gynlluniau difyr, diddorol, ond nid ydynt yn mynd i ateb y broblem. Felly, buasai rhywun yn medru gofyn y cwestiwn, 'Sut ydym ni yn ychwanegu budd economaidd i'r Gymraeg?' Achos ychydig iawn o bobl sydd am warchod y Gymraeg achos eu bod yn teimlo'n gryf am y Gymraeg. Efallai bod mwy o bobl eisïau gweld bod yna fudd economaidd i'r Gymraeg, bod budd iechyd i'r Gymraeg, bod yna fudd arall i'r Gymraeg, ac wedyn gofyn y cwestiwn. Efallai nid yw'r ateb gennym, ond o leiaf rydym yn mynd i afael â'r her a diffinio'r her yn dda, ac wedyn ceisio ei ateb.

Mr Gruffydd: Yes, it's all part of the same thing. But in terms of pride, in terms of linking pride with the language, linking it to success, economic benefit—. One of the things that LEADER has endeavoured to do is to respond to challenges, and one of the major problems we have is to define 'challenge'. Because, very often, one operates a number of interesting programmes, but they are not going to provide a solution to the problem. So, one could to ask the question, 'How do we add economic benefit to the Welsh language?' There are very few people who want to protect the Welsh language because they feel strongly about the language. Perhaps more people want to see an economic benefit to the Welsh language, a health benefit to the Welsh language, another benefit to it, and then ask the question. We do not have the answer necessarily, but at least we are addressing the challenge and trying to define that challenge and find solutions to it.

[484] **Mr Edwards:** Os caf i ateb yn

Mr Edwards: If I may answer in

Saesneg, er mai Cymro ydw i. Rydw i'n meddwl ei bod hi'n hanfodol bwysig ein bod yn gwneud y mwyaf—yng Nghymraeg rwy'n ateb beth bynnag. Mae'n hanfodol bwysig ein bod yn gwneud y mwyaf o'r iaith. Mae'n rhan o'n hetifeddiaeth ni ac mae'n adnodd cryf o ran yr ochr dwristiaeth. Mae yna dwf mawr yn nifer y bobl sy'n dod o Tsieina ac yn y blaen i'r wlad yma i weld ein hanes a'n hetifeddiaeth ni. Ond, i ddod at y pwynt ar addysg, mae'n rhaid i'r ysgolion sicrhau bod y bobl ifanc sy'n cael eu haddysg yn yr ysgol yn deall bod gennym ni etifeddiaeth sy'n bwysig, ac yn deall beth yw'r etifeddiaeth honno, ac wedyn bod, nid jest yr iaith Gymraeg, ond ieithoedd yn bethau pwysig yn yr ysgolion, er mwyn i ni sicrhau bod y bobl ifanc yn gallu cyfathrebu ac yn gallu gwerthu eu cymuned a'r hyn sydd gennym ni fel etifeddiaeth i'r sector dwristiaeth. Yn sicr mae twristiaeth yn mynd i dyfu. Mae gogledd Cymru yn ddibynnol ar dwristiaeth, ond ychydig iawn o bobl ifanc sy'n gallu siarad ieithoedd tramor. Mae'n bwysig bod y cwricwlwm yn edrych ar hynny; os ydym am i bobl ddod o Tsieina neu Siapan, dylai'r ieithoedd yna gael eu dysgu. Ar hyn o bryd nid yw'n cael digon o bwyslais yn fy marn i. Mae'r ffaith ein bod yn gallu siarad Cymraeg yn ei gwneud yn haws i ni ddysgu ieithoedd eraill hefyd, yn fy marn i.

English, although I'm a Welshman. I think it's critically important that we make the most of—I'm answering in Welsh in any case. I think it's crucially important that we do make the most of our language. It's part of our heritage and is a strong resource on the tourism side. There has been huge growth in the number of people coming from China and so on to see our heritage and our history. But, to come back to the point on education, the schools must ensure that the young people being educated in our schools understand that we have an important heritage and what it is, and then that languages, not just the Welsh language, but languages are important in schools too, so that we ensure that young people can communicate and sell their communities and their heritage in the tourism sector. Certainly, tourism is bound to grow. North Wales is now heavily reliant on tourism, but very few of our young people can speak foreign or modern languages. It is important that the curriculum should address that; if we are going to get people coming from China or Japan, those languages should be taught. Currently there is not enough emphasis in my opinion. At the moment it is not given enough emphasis, in my view. The fact that we can speak Welsh makes it easier for us to learn other languages as well, in my view.

[485] Sian Gwenllian: A oes gennych Sian Gwenllian: Do you have a view?

chi farn?

[486] **Mr Adams:** Yes, if I may add, as the leader in Pembrokeshire, we're proud to say that we're just going through a process to move a category 2 school to a category 1. We're just about to start building a three-to-16 Welsh-medium school in Haverfordwest, and, next month, the Minister is opening a primary school in Tenby, of all places. So, your point about communities that are not traditionally Welsh speaking actually choosing—and it is a choice—to be educated through the medium of Welsh is something that is gaining traction, even in little England beyond Wales, the south of Pembrokeshire. So, that's an interesting phenomenon and to be welcomed, and we're fully supportive of that.

[487] But I think, also, in terms of the Welsh language, it isn't a prevalent language in business, and we have to recognise that. Many of the requirements of the Welsh language Act do not fall upon the shoulders of businesses, but I think there are opportunities, and it's something in the south-west that we've considered through the Swansea bay city deal bid, that we can use our influence as statutory authorities to encourage the private sector to increase the use of the Welsh language. I think that's where some of the opportunity of really underpinning the language in the business community can be undertaken. I do think that we're pushing at an open door, but probably people within business are slightly afraid to open it themselves, if you understand my point.

[488] **Sian Gwenllian:** Yes, but what I'm after, really, is more the correlation between the survival of the Welsh language and the enhancement of the rural areas—that they go hand in hand. It's not so much using the Welsh language within business, it's about recognising that agriculture and the rural way of life, the Welsh language is part and parcel of all that, and once that starts to slip away, you are affecting the Welsh language and the culture of—. That's despite the advances in the more urban areas.

[489] **Mark Reckless:** What would the impact be on the Welsh language if all the subsidies and financial support that we've had through the CAP were to be removed, say, with a cliff edge in the worst-case scenario?

[490] **Dr Peppin:** We meet as a rural forum. The nine rural authorities across Wales meet on a regular basis, and Councillor Adams is the chair of that forum. It's a recurring topic of conversation there, really: how do we make sure that these communities stay sustainable? Part of that sustainability is

the culture and the language, and the economic underpinnings of those communities are fundamentally linked in to the sorts of discussions we're having here. So, it's a mixture of supporting farmers in ways that encourage them to operate with sustainable practices, but also putting resources into looking at alternative ways of doing things in rural communities, new innovations and new digital possibilities so that young people, in particular, in those areas don't think that getting on is moving out, that they see opportunities locally and it's seen as a vibrant place of opportunity.

[491] **Mark Reckless:** Could I thank all panellists very, very much for coming? I know a number of you have come a significant distance, and we really do appreciate it. We will reflect on the evidence we've had today and discuss it at our next session on Wednesday next week, when we're also having a short session on air quality. Thank you all very, very much indeed.

Daeth y cyfarfod i ben am 14:28.

The meeting ended at 14:28.