



Llywodraeth Cymru  
Welsh Government

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## STATEMENT BY THE WELSH GOVERNMENT

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**TITLE**            **Organic Farming support under the next Rural Development Plan 2014-20.**

**DATE**            **6 February 2014**

**BY**                **Alun Davies AM, Minister for Natural Resources and Food**

I believe that organic farming has an important role to play in the future of our agricultural sector in Wales. Organic status can add value to our products, while organic management is based on principles of greater environmental sustainability. As such organic farming is consistent with the development of my Green Growth agenda which I outlined in my Autumn Statement *Shaping a more Prosperous and Resilient future*.

There is no doubt however that the last few years have been very challenging for organic producers in Wales. The economic downturn had a very negative affect on organic sales across the UK. Consequently the market premiums offered to farmers for producing organic goods have declined and meanwhile the financial costs of farming organically have been increasing. In this difficult market context we have seen around a 25% decline in farm businesses choosing organic farming as their preferred business model. During this difficult period I have sought to re-assure organic farmers that the Welsh Government will continue to recognize the benefits of organic farming and reimburse them through the Rural Development Plan (RDP).

On coming to office in 2011 I stated my intention to have a stand alone organic conversion and maintenance scheme under the next RDP in line with the recommendation of the Glastir Independent Review Group's March 2011 report. Here in Wales we were also the first government in the UK to extend existing organic scheme payment arrangements for organic farmers under the 2006-13 RDP. I acted quickly to give this re-assurance as soon as allowed for under the transitional regulations issued by the EC last summer. Welsh Government also procured the services of a consortium led by the Organic Research Centre to consult with organic producers and to advise me on arrangements for a new scheme under the new RDP. In November last year I launched a consultation on these proposals and a number of well attended workshops to talk through these proposals were run across Wales with organic producers. This consultation closed on 21 January 2014 and I am now in a position to outline my intentions for organic support under the next RDP..

Over 60% of organic farmers have either applied to join or are already participating in other parts of the Glastir scheme. I believe these farmers should be able to join the new stand alone Glastir Organic scheme while remaining eligible for also delivering the other environmental goods and services provided for elsewhere in Glastir and this will be the basis of the new scheme's development. Re-imburement rates will also be reviewed in light of changing costs and the ongoing maintenance of being organic will be more fully recognized. At the same time the design of the new scheme will seek to ensure that the payment rates for conversion do not lead to large numbers of farmers converting without an ongoing strategy for maintaining their business profitability – something which did unfortunately happen in the early years of the 2006-13 RDP. For similar reasons Welsh Government will expect those farmers seeking support from the RDP to farm organically to have an appropriate business plan in place.

The new scheme will also include requirements, and re-imburement, for ongoing training and the development of skills which I believe are essential to both delivering environmental services but also modernizing farm businesses. Organic farmers will also have equal access to capital support for modernization of their infrastructure under the new Sustainable Production scheme I have proposed in my recent consultation on the future of the Glastir scheme. It is the decision I took to transfer 15% of the Pillar 1 budget to Pillar 2 that has ensured that there is a budget to widen this support for training and modernization which I believe is essential for the longer term sustainability of the agriculture industry in Wales.

Applications for the new Organic Farming scheme will be invited from Autumn this year and I believe the new scheme should provide re-assurance to organic farmers across Wales that this Welsh Government remains committed to the principles of organic farming as an important part of our wider strategy for agriculture. At the same time the proposals will also ensure that organic farming develops in way which is sustainable and which contributes to the future prosperity of rural Wales. Details of the consultation responses and the Welsh Governments' responses can be found on the Welsh Government webpages at:

<http://cymru.gov.uk/consultations/environmentandcountryside/organic-support-2015-under-rural-development-plan-2014-2020/?lang=en>