

# Grwp Gorchwyl a Gorffen ar y Polisi Amaethyddol Cyffredin

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Lleoliad:  
Ystafell Bwyllgora 3 – Y Senedd

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Dyddiad:  
Dydd Iau, 17 Tachwedd 2011

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Amser:  
13:00

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Cynulliad  
Cenedlaethol  
Cymru

National  
Assembly for  
Wales



I gael rhagor o wybodaeth, cysylltwch a:

Naomi Stocks  
Clerc y Pwyllgor  
029 2089 8164

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## Agenda

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### 1. Cyflwyniad, ymddiheuriadau a dirprwyon

### 2. Ymchwiliad i'r diwygiadau arfaethedig i'r Polisi Amaethyddol Cyffredin: Tystiolaeth gan Asiantaeth yr Amgylchedd Cymru a Chyngor Cefn Gwlad Cymru (13.00–13.45) (Tudalennau 1 – 26)

CAP(4)–03–11 Papur 1: Asiantaeth yr Amgylchedd Cymru  
Simon Neale, Rheolwr Strategaeth a Pholisi – Ansawdd y tir  
Richard Davies, Cyngorydd Uned Strategol Cymru ar ansawdd y tir

CAP(4)–03–11 Papur 2: Cyngor Cefn Gwlad Cymru  
Brian Pawson, Uwch-gynghorydd amaethyddol  
Dr Ieuan Joyce, Aelod o'r cyngor

### 3. Ymchwiliad i'r diwygiadau arfaethedig i'r Polisi Amaethyddol Cyffredin: Tystiolaeth gan yr Ymddiriedolaeth Genedlaethol a'r Gymdeithas Frenhinol er Gwarchod Adar (13.45–14.30) (Tudalennau 27 – 35)

CAP(4)–03–11 Papur 3: Yr Ymddiriedolaeth Genedlaethol (papur i ddilyn)  
Trystan Edwards, Cyngorydd ar Ffermio a Chefn Gwlad Cymru

CAP(4)–03–11 Papur 4: Y Gymdeithas Frenhinol er Gwarchod Adar  
Arfon Williams, Rheolwr Cefn Gwlad

**4. Ymchwiliad i'r diwygiadau arfaethedig i'r Polisi Amaethyddol  
Cyffredin: Tystiolaeth gan y Grŵp Cynghori ar Ffermio a Bywyd  
Gwylt a Chymdeithas y Pridd (14.30–15.15) (Tudalennau 36 – 46)**

CAP(4)–03–11 Papur 5: Y Grŵp Cynghori ar Ffermio a Bywyd Gwylt (FWAG)  
Glenda Thomas, Cyfarwyddwr FWAG Cymru

CAP(4)–03–11 Papur 6: Cymdeithas y Pridd  
Emma Hockridge, Pennaeth Polisi

## CAP(4)-03-11 Paper 1



### **NATIONAL ASSEMBLY FOR WALES ENVIRONMENT AND SUSTAINABILITY COMMITTEE: COMMON AGRICULTURAL POLICY TASK AND FINISH GROUP INQUIRY INTO THE REFORM OF THE COMMON AGRICULTURAL POLICY.**

#### **SUBMISSION BY ENVIRONMENT AGENCY WALES**

#### **SUMMARY**

- The Environment Agency is the principal environmental regulator in England and Wales, with responsibilities for the protection of soil, air and water. We also have important duties to maintain, improve and safeguard water-related biodiversity and fisheries in Wales.
- Welsh farming provides significant social, economic and environmental goods and services and is largely responsible for creating and maintaining landscapes that benefit a range of ecosystem services including the Welsh tourist industry
- We work to improve the environmental performance of agriculture through an integrated policy approach, including advice, voluntary initiatives, codes of practice and regulation.
- The European Water Framework Directive (WFD) sets new and tougher standards for rivers and other water bodies. We need to ensure that Wales is on track to meet these requirements and further improve the quality of groundwater, rivers, lakes and coastal waters.
- Under these tougher standards 67% of water bodies in Wales are failing to reach EU WFD 'good' ecological status. In Wales, farming contributes 60% of nitrates, 25% of phosphorus and 70% of sediments to the nation's waters. Reducing these figures would make a significant contribution to meeting our European requirements.
- Support for the delivery of WFD outcomes could be identified as a key CAP Reform priority. The CAP Pillar 1 "greening component" should complement the environmental benefits delivered through CAP Pillar 2 measures and the CAP cross compliance regime.
- CAP Reform should seek to include measures that support delivery of WFD including measures that:
  - tackle soil poaching and riverbank erosion by livestock.
  - deliver improvements in farmyard management and infrastructure such as improved slurry stores and dirty water separation
  - require nutrient management planning as standard.
- The removal of the Rural Development axes under CAP Pillar 2 will help the Pillar deliver environmental improvements in a more integrated manner.
- The perceived movement to an area based Single Payment Scheme (SPS) in Wales will result in a re-distribution of payments amongst the Welsh farming industry which might have negative consequences for the environment.
- We are particularly concerned for the future of the dairy sector that is already struggling with low margins and confidence to invest in improved slurry and manure infrastructure which are at present a major contributor to poor water quality

#### **1.0 Introduction**

- 1.1 The Environment Agency is the principal environmental regulator in England and Wales, with responsibilities for the protection of soil, air and water. It also has important duties to maintain, improve and safeguard water-related biodiversity and fisheries in Wales. We work to improve the environmental performance of agriculture through an integrated policy approach, including advice, voluntary initiatives, codes of practice and regulation. We welcome the opportunity to give written evidence to the National Assembly for Wales' Environment and Sustainability Committee inquiry into the Reform of the Common Agricultural Policy (CAP).

- 1.2 Farming provides significant social, economic and environmental goods and services and is largely responsible for creating and maintaining landscapes that benefit a range of ecosystem services including the Welsh tourist industry. However, farming can also have environmental impacts. These impacts can be significantly reduced by relatively simple, often low cost, solutions which can also provide cost savings for farmers<sup>1</sup>. The Environment Agency is working with land managers and the wider food industry to improve the environmental performance and often the competitiveness of Welsh agriculture.
- 1.3 The accumulation of a range of problems from well over 30,000 holdings adds up to a significant environmental impact. Tackling these issues requires a spectrum of solutions, from advice and working in partnership to regulation and the purchasing of public goods. We seek to influence all of these issues to improve environmental outcomes. We believe that tackling the source of the issue, such as ensuring that manure and slurry management is carried out in line with best practice, can be more successful than “end of pipe” type solutions.
- 1.4 Water pollution ranks as one of the principal environmental concerns amongst the public in the UK and across the EU, second only after climate change in the last Special Eurobarometer on Environment in March 2008. In 2010, assessment of EU MS draft River Basin Management Plans (dRBMP)<sup>2</sup> concluded that the agricultural sector places significant quality and quantity pressures on both surface waters and ground waters. Results showed that diffuse or point source nitrogen pollution was reported in 91% of the dRBMPs, phosphorus pollution in 90% of the cases and pesticide pollution in 69% of the dRBMPs.

## **2.0 Common Agricultural Policy Reform (CAP) – EA Wales position.**

- 2.1 The Environment Agency is a member of the Land Use Policy Group (LUPG), which represents UK statutory environmental and conservation agencies. The LUPG CAP Reform vision advocates a movement away from production subsidy towards the direct purchase of environmental services from land managers. The suggestion would be for CAP to focus on achieving food and environmental security through support for the provision of environmental services<sup>3</sup>.
- 2.2 The current CAP accounts for 40% (equivalent to €60billion) of the EU budget. CAP is of significant importance to Wales as it receives approx €330 million under the CAP Pillar 1<sup>4</sup> annually and has received €376.7 million under CAP Pillar 2 for the Welsh Rural Development Plan<sup>5</sup> 2007 – 2013. Evidence from the annual Farm Business Survey (FBS<sup>6</sup>) shows that holdings in Wales remain heavily dependent upon subsidy payments to support the farming business.
- 2.3 Under a reformed CAP, we would welcome agriculture being viewed in the wider context of delivering a range of ecosystem services that help tackle environmental, social and biodiversity concerns. EAW has long advocated this viewpoint as highlighted in oral and written evidence submitted to previous NAW CAP Reform inquiries as well as related inquiries notably Land

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<sup>1</sup> Withers P, Royle S, Tucker M, Watson R, Scott P, Silcock P, Smith G & Dwyer J (2003) Field development of grant aid proposals for the control of diffuse agricultural pollution. Produced on behalf of the Environment Agency & English Nature. An Environment Agency R&D Technical Report P2-261/09/TR.

<sup>2</sup> Ecologic, 2010. Assessment of agriculture measures included in the draft River Basin Management Plans <http://ec.europa.eu/environment/water/quantity/pdf/summary050510.pdf>

<sup>3</sup> Environmental services arise from the management of ecosystems goods and services (or EGS - see Box 1) by farmers, foresters and others.

Certain aspects of EGS can arise independently of human intervention. Environmental services describe those elements of EGS which are delivered by land managers acting over and above the requirements of regulation and where no market exists to reward the public benefits that have been provided.

<sup>4</sup> Figure based on the exchange of the Welsh Government’s estimation of total amount of Single Payment received in Wales annually (approximately £292 million) at euro exchange rate of €1.14 to £1 on 11 February 2010.

<sup>5</sup> European Commission Press Release, Rural Development Plan for Wales, 20 February 2008 [Accessed 11 February 2010]

<sup>6</sup> The Farm Business Survey is a survey of 550 farming businesses from the main farm types in Wales. Only those farms with a Standard Labour Requirement (SLR) of more than 0.5 are included in the sample, the survey is therefore considered to be representative of commercial farming businesses.

Management Actions under Axis 2 of the WRDP, Rural Land Use Management and Carbon Reduction, the Future of the Welsh Uplands.

2.4 In Wales, farming is not the sole cause of water pollution but does contribute 60% of nitrates, 25% of phosphorus and 70% of sediments to the nation's waters amongst other pollutants<sup>7</sup>. With approximately 67% of water bodies in Wales failing to meet EU WFD good ecological status we believe a focus on WFD should be a key priority for CAP. Environment Agency research on Reasons For Failure under WFD indicates that agricultural land use is a principal contributor to failing status for many water bodies in Wales. We suggest that by explicitly incorporating WFD objectives, CAP Reform will more efficiently help achieve good chemical and ecological status and prevent deterioration in all water bodies (including Protected Areas), promote the sustainable use of water and help reduce the negative impacts of floods and droughts. Given that the WFD status of a water body is determined principally by physical and biological processes acting at the landscape scale, environmentally sensitive land use will contribute to all of these related goals. Pillar 2 land management schemes and the Welsh Rural Development Plan (WRDP) could fund activities that:

- minimize the impacts of fertilizer and farm waste on water courses and groundwater;
- restore natural 'flow paths' to slow the passage of water and maximise the filtration function of natural vegetation;
- provide storage for water
- restore connectivity between channels and flood plains to provide areas for water storage and filtration, and reduce flood risk to population centres;
- restore coastal wetlands to reduce flood risk associated with high tides;
- protect and restore riparian zone vegetation to filter surface water, enhance aquatic habitat and mitigate the impacts of climate change through shading

2.5 We also believe that CAP has an important role in climate change mitigation and the delivery of multiple benefits. Both CAP Pillars could support measures which help mitigate the impacts of climate change, for example:

- Protecting water and soils with winter cover, buffer strips and in-field grass areas;
- Protecting carbon stored in soils and vegetation;
- Managing land to reduce surface run-off
- Increasing tree cover to capture carbon, provide shade and shelter for livestock, and habitat for wildlife.

### 3.0 RESPONSES TO CONSULTATION QUESTIONS

Our responses to specific questions / points in the consultation are as follows;

#### Q1. What could the European Commission's (EC) proposals mean for Wales?

3.1 We note that the EC proposes a new partnership between Member States (MS) and its farmers to meet the challenges of food security, sustainable use of natural resources and growth. We welcome this proposal as Welsh Government (WG) will be able to consider how best to deploy EU funding under the RDP, Structural Funds and the European Fisheries Fund to deliver the aspirations of the European 2020 strategy.

3.2 Under Article 93 of the CAP Horizontal Regulation it states that;

*"Directive 2000/60/EC of 23 October 2000 establishing a framework for Community action in the field of water policy will be considered as being part of Annex II once this Directive is implemented by all Member States and the obligations directly applicable to farmers have been identified.*

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<sup>7</sup> Welsh Government (2011) Consultation on the compulsory Good Agricultural Environmental Condition (GAEC) standard to introduce buffer zones alongside water courses to tackle water pollution from agriculture

We welcome the EC's desire to include WFD within the remit of cross compliance in Jan 2013 (article 11.7 of the WFD) and the acknowledgement of WFD as a key legislative driver for protecting and enhancing the environment. As the Directive sets challenging objectives for the water environment based on protecting ecological health, it is of critical importance that future land management practices embrace these objectives and assist the industry in meeting environmental challenges.

### **Cross compliance changes.**

3.3 We have worked closely with WG in its endeavours to streamline and reduce the administrative burden placed upon the farming industry. Whilst we welcome the CAP Reform proposals to streamline the cross compliance regime we believe the remaining cross compliance requirements could be modified and strengthened to ensure that WFD is a key feature of cross compliance notably:

- Providing adequate slurry and silage storage facilities to prevent pollution incidents;
- Keeping soil, the most important farming asset, in fields and out of watercourses;
- Tackling soil poaching and riverbank erosion– managing livestock access to water through the adoption of ecologically functional buffer strips. Fencing off of watercourses can provide significant water quality improvements.

3.4 Whilst there is a desire within the CAP Reform proposals to protect wetland and carbon rich soils including a ban on ploughing, we also believe there is merit in extending Good Agricultural and Environmental Condition (GAEC) measures to include compliance with key elements of the Water Resources (Control Pollution) Silage Slurry and Agricultural Fuel Oil (Wales) Regulations, also known as the "SSAFO" regulations. We believe that inclusion of these key elements will strengthen the protection of water courses from significant sources of farm based nutrient rich organic pollution. The key elements of the regulations that could be included within a revised cross compliance regime are:

- all storage facilities are hydrologically isolated and located at least 10 meters from a water courses,
- slurry storage facilities must effectively contain all of the slurry produced on the farm and are not leaking or in danger of overflowing,
- all silage storage facilities must have an effluent collection and containment system that is not allowed to overflow.

3.5 These measures are required in order to ensure that high nutrient material is kept out of water courses. Recent WFD investigations have shown that there is poor compliance with key elements of the SSAFO regulations in tandem with severe incidences of livestock poaching. We would be concerned if inspection and monitoring in Wales were further weakened as this would seriously inhibit WG's ability to meet national and international biodiversity targets

### **CAP "Greening" component.**

3.6 We note the EC's proposals to introduce a CAP Pillar 1 "greening component". The 3 measures foreseen are:

- maintaining permanent pasture (Article 31);
- crop diversification – where the area of arable land exceeds 3 ha, at least three different crops must be grown, with a minimum of 5% and maximum of 70% of eligible area in the case of each crop (Article 30); and
- maintaining an "ecological focus area" of at least 7% of farmland (excluding permanent grassland) – i.e. field margins, hedges, trees, fallow land, landscape features, biotopes, buffer strips, afforested area (Article 32).

3.7 We believe it important to ensure that the distinction between the CAP Pillar 1 'greening' component and cross compliance, including GAEC, is recognised and that implementation of the "greening" component is carefully considered.

- 3.8 EAW acknowledges that livestock need access to drinking water, but unchecked access to rivers can lead to poaching and erosion of riverbanks and the bed of the water course. Simple and well established methods to control stock access to water courses can provide significant water quality and physical habitat improvements. Parallels could be made with the General Binding Rules (GBRs) concept in Scotland and their Diffuse Pollution GBR 19: Keeping livestock<sup>8</sup> leaflet. Under a streamlined cross compliance regime or through the CAP Pillar 1 “greening” proposal we would like to see the above poor practices urgently addressed.
- 3.9 We also highlight the importance of the CAP Pillar 1 ‘greening’ component (in tandem with CAP Pillar 2 measures) in the delivery of WFD requirements. Whilst sustainable land management schemes (such as Glastir) are imperative in helping the industry meet WFD requirements, they are voluntary and not implemented nationwide. Given the extensive geographical nature of water body failures in Wales, CAP Pillar 2 measures alone will not deliver the levels of improvements required. CAP Pillar 1 “greening” measures will therefore have an equally important role in WFD delivery.

### **Removal of Pillar 2 Axes measures**

- 3.10 Under the current CAP reform proposals, it is also envisaged that Rural Development Plan (RDP) arrangements 2013- 2020 will be revised with the removal of the four axes structure to better meet the objectives of the Europe 2020 strategy for smart, sustainable and inclusive growth. We believe this is a positive development and could help deliver environmental improvements in a more integrated manner. Having said this we acknowledge that the long term RD objectives for the sustainable management of natural resources, balanced territorial development and competitiveness will still need to be addressed but achieved by following six clearly defined EU priorities notably;
- Enhancing competitiveness of all types of agriculture
  - Preserving and enhancing ecosystems dependent on agriculture and forestry
  - Promoting resource efficiency and low carbon economy transition
  - Promoting food chain organisation and risk management in agriculture
  - Fostering knowledge transfer in agriculture and forestry
  - Realising employment potential and development of rural areas
- 3.11 This will provide an opportunity to outline a clear theme or vision for the Welsh environment. Driven by WG with Natural Environmental Framework (NEF) identified as clear guiding principles, the Welsh RDP post 2013 has the potential to champion a vibrant agricultural industry and a sustainable environment where the delivery of environmental goods and services play a central role. Examples could include the promotion of “food quality/farm assurance” schemes that require a strong environmental focus. Further improvements could be made in supply chain efficiency, supporting local businesses and wider rural economy interests through CAP and RDP funding. WG promotion of such schemes would be seen as a further opportunity for the farming sector to improve economic returns, reducing food miles, whilst also delivering the wider environmental goods and services that society demands.
- 3.12 We believe mechanisms should be developed that help create a viable market for the agricultural products produced through such schemes. Emphasis here would be placed on consumers, as well as the commercial and public sectors, to reduce food miles by procuring produce locally (Value Wales). Food procurement strategies should be promoted (with the greater use of Environmental Management Systems) that assess the environmental footprint of all resources brought into an enterprise, including food. Parallels could be drawn with the Green Dragon Environmental Management System, which promotes good business practice whilst delivering both environmental and economic benefits. Led by WG this market could actively acknowledge and promote the important public and environmental benefits that land managers will deliver in the future. It would also help promote the aspirations of the “Green Jobs Strategy

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<sup>8</sup> Scottish Government /SEARS Natural Scotland : Reducing the risk of water pollution – Diffuse Pollution GBR 19 : Keeping livestock

for Wales”, where “greening” the economy not only makes good environmental sense but offers considerable opportunities for businesses across Wales”<sup>9</sup>.

- 3.13 Better integration of RDP measures could be achieved in ways that minimise bureaucracy, whilst ensuring that future projects are accountable for delivering against key EU objectives. Welsh agriculture currently delivers a diverse range of ecosystem services, some of which attract public funding. We need to see the true value of what Welsh agriculture could deliver to society acknowledged through CAP. There is great potential for Welsh agriculture to become a world leader - delivering real tangible benefits that will be good for farmers and good for the environment.

**Q2. What should the Welsh Government’s (WG’s) priorities be in its negotiations on CAP Reform to ensure a beneficial outcome for Wales?**

- 3.14 In its negotiations on CAP Reform WG needs to identify WFD compliance as a key CAP priority. As the Directive sets challenging objectives for the water environment based on protecting ecological health, it is of critical importance that future land management practices embrace these objectives and assist the industry in meeting environmental challenges notably NEF aspirations.
- 3.15 The deadline for the submission of the WFD RBMPs and Programme of Measures (PoM’s) was December 2009. MS have 3 years (until 2012) to make operational the PoMs in order to achieve environmental objectives in 2015. Also in 2015, MS have to update the RBMPs and PoMs. This timescale and the fact that a reformed CAP will be implemented from 2014 onwards provide a unique opportunity to establish a coherent and strong link between WFD implementation and Single Payment Scheme (SPS) cross compliance.

**Single Payment Scheme.**

- 3.16 The future method by which the SPS will be administered continues to dominate discussions in Wales. Opportunities and threats remain with either a historic or area based payment system. Adopting a historic approach in Wales, to date, has been administratively simpler to implement compared with a flat rate area approach and it has reduced the risk of sudden structural change in the industry.
- 3.17 For the majority of Welsh farmers the CAP continues to account for the largest proportion of farm profitability<sup>10</sup>. On average, the SPS represents 80% of Farm Business Income to Welsh farmers. However with the movement to an area based method of payment now inevitable, it is widely acknowledged that there will be a considerable re-distribution of payments which could have serious implications for farm businesses and agricultural production in Wales. There are concerns about the impact that movement to an area based method of payment will have on the traditional family farms of Wales. Modelling undertaken to date has indicated that there will be a significant re-distribution of payments within the farming sector in Wales. Under a simple flat rate payment it is envisaged there will be a considerable shift in payment receipts away from the lowlands to the uplands with significant subsequent social, economic and environmental ramifications.
- 3.18 Under the latest CAP Reform proposals it is proposed that there will be a 40% area payment - 60% historic payment split in Year One. This will greatly affect Wales which currently operates the historic SPS method. This could impact on the future of the dairy sector which is the largest source of Category 1 and 2 water pollution incidents. The dairy industry is currently struggling with low margins but could also lose out under the “greening” proposals as they will be restricted by the acreage of a feed crop they can grow. The financial losses envisaged could be particularly acute in a period when the dairy industry needs to improve its environmental performance by investing in improved manure and slurry storage. Given that all MS are obliged to move towards a uniform area payment by Jan 2019 it will be imperative that transitional

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<sup>9</sup> Ieuan Wyn Jones Announcement on the launch of the draft “Green Jobs Strategy for Wales”, 18 Nov 2008

<sup>10</sup> Welsh Assembly Government, *Farming, Food and Countryside: Building a secure future Annex1: Industry Challenges*, May 2009 [Accessed 10 February 2010]



arrangements could be considered to allow the farming industry, in particular the dairy industry to adjust.

- 3.19 We are aware that compulsory EU modulation may end under current CAP proposals. However we note the EC has introduced flexibility between Pillars allowing the MS the option of moving up to 10% of national ceiling funds from Pillar 1 to support Pillar 2 measures. We also note that MS will also have the flexibility to move up to 5% from Pillar 2 in support of Pillar 1 measures. We recognise that, to date, modulation has been an important funding mechanism that has supported Tir Gofal and now Glastir. It is important that adequate funding is secured for the future to support sustainable land management practices which are critical to WFD and NEF delivery.

**Q3. How can Wales ensure that its views inform the negotiation process?**

- 3.20 Given the challenges facing Welsh agriculture and the economic and environmental importance of CAP payments to land managers in Wales, it is essential that WG influences the European Parliament and EC to deliver the best CAP outcomes for Wales. WG needs to work closely with the UK Government and the other devolved governments to shape the UK's negotiating position. It is also important that WG engages with stakeholders in Wales as it prepares its position on CAP Reform.
- 3.21 Wales is not alone in facing CAP Reform. England, Germany and Finland have already changed their payment system from an historic to an area based model. Other devolved UK administrations are also in the same situation. The Scottish Government (SG) have also undertaken Inquiries into how financial support to agriculture and rural development could be tailored to deliver SG's aspirations. The "Pack Inquiry" which published its final report in November 2010 examined an area basis for direct payments but flagged up the considerable financial redistribution between farms of the same type and between regions that would occur under a move from historic to area based payment. It confirmed that intensive livestock farms would be the hardest hit. Parallels could be drawn with Wales with the high dependency on beef, dairy and sheep as well as the climate and Less Favoured Area (LFA) status similarities.

**4.0 CONCLUSION.**

- 4.1 Major changes have occurred in Welsh farming policy in recent years. Change will continue and pressures from UK Treasury, the European Commission and global institutions are likely to force even greater shifts in EU food/farming policy and markets. This coupled with the need to respond to climate change will accelerate the restructuring of the agricultural sector that has already begun.
- 4.2 Agriculture can have a major impact on the environment, particularly to key resources essential to society (e.g. drinking water, soil quality, bathing/shellfish waters, flood risk management and biodiversity). To ensure these resources are protected, CAP could focus on reducing these impacts and promoting sustainable growth in the future.
- 4.3 We believe that the next CAP programme should include support to deliver WFD outcomes and to recognise the role that it can play in climate change adaptation and mitigation. Key features of the existing scheme should be protected where they deliver important environmental outcomes and the 'greening' component should complement, rather than dilute these benefits.
- 4.4 Cross Compliance could be strengthened to achieve broad implementation of basic standards with additional targeted action needed to improve the environment.
- 4.5 To deliver WFD outcomes, future CAP Reform and Rural Development funding needs to continue to champion sustainable agricultural practice and highlight the fundamental need for all farm sectors to improve their environmental performance. The promotion of sustainable development and the integration of environmental concerns should remain key principles.



# Cyngor Cefn Gwlad Cymru Countryside Council for Wales

## **CYNULLIAD CENEDLAETHOL CYMRU: PWYLLGOR YR AMGYLCHEDD A CHYNALIADWYEDD**

### **Y GRŴP GORCHWYL A GORFFEN AR Y POLISI AMAETHYDDOL CYFFREDIN CYFLWYNIAD GAN GYNGOR CEFN GWLAD CYMRU**

#### **Crynodeb**

Mae'r Cyngor Cefn Gwlad yn croesawu'r cyfle hwn i gyflwyno tystiolaeth i Grŵp Gorchwyl a Gorffen y Pwyllgor. Dyma'r prif bwyntiau yr hoffem eu pwysleisio:

- (i). Er gwaethaf dylanwad grymoedd y farchnad, technoleg newydd a newid cymdeithasol, mae'r Polisi Amaethyddol Cyffredin (PAC) yn dal yn ddylanwad o bwys mawr ar ymddygiad ffermwyr unigol a hefyd ar strwythur cyffredinol y diwydiant amaeth, hyfywedd cymunedau gwledig ac ansawdd amgylchedd Cymru.
- (ii). Mae'r ddadl ynglŷn â diwygio'r PAC yn cael ei chynnal o fewn trafodaeth ehangach o lawer ynghylch graddfa'r PAC, maint cyllideb yr UE ac anghenion yr Undeb Ewropeaidd yn y dyfodol, gan gynnwys gofynion y Map Effeithlonrwydd Adnoddau<sup>1</sup>. Wrth i'r UE gynyddu o ran ei faint ac wrth i flociau negodi newydd ymddangos, mae'n fwy tebygol y caiff faint o adnoddau a fydd ar gael ar gyfer y PAC yn ystod 2014-2020, yn hytrach na chael ei neilltuo ar sail amcanion y cytunir arnynt, ei seilio ar ganlyniadau negodi munud olaf ynglŷn â maint cyllideb yr UE ac ynglŷn â'i bwrpas. Rhaid hefyd ystyried sefyllfa economaidd bresennol a dylanwad cynyddol Senedd Ewrop.
- (iii). Gweledigaeth y Cyngor Cefn Gwlad ar gyfer dyfodol y PAC yn y tymor hir yw newid y pwyslais sylfaenol, fel bod y polisi'n cael ei drawsnewid yn bolisi sy'n canolbwyntio ar ddarparu ystod eang o fuddion cyhoeddus amgylcheddol ochr yn ochr â chynhyrchu bwyd. Mae'r Cyngor Cefn Gwlad yn ffafrio "PAC gwyrdd" gan ddefnyddio Colofn 2 gryfach o'i mewn i dargedu darparu buddion amgylcheddol yn fwy cywir tra bo Colofn 1 yn sylfaen i gynnal gwasanaethau ecosystemau. Mae hyn yn adlewyrchu'r dull a ddisgrifiwyd yn Fframwaith yr Amgylchedd Naturiol sydd wrthi'n cael ei ddatblygu ar gyfer Cymru. Yn y cyd-destun hwn, bydd y PAC diwygiedig yn elfen ganolog o ddarparu dull newydd o reoli tir a dŵr fel y'i cynigir yn y Fframwaith.
- (iv). Mae cyllideb ddrafft yr UE eisoes wedi awgrymu y gwelir gostyngiad mewn termau real o c.9% yng nghyllideb yr UE dros y cyfnod 2014-2020. Ar hyn o bryd, effeithir i'r un graddau ar y ddwy Golofn ond fe allai'r sefyllfa newid wrth negodi'r gyllideb derfynol, yn enwedig yng

<sup>1</sup> "Roadmap to a Resource Efficient Europe". Cyfathrebiad CE COM(2011) 571 terfynol. Medi 2011. Ar gael yn: [http://ec.europa.eu/environment/resource\\_efficiency/](http://ec.europa.eu/environment/resource_efficiency/)

ngoleuni'r argyfwng ariannol presennol a dyletswyddau Aelod-Wladwriaethau i gydariannu C2. A chofio bod cwmpas C2 eisoes wedi'i ymestyn yn sylweddol o fewn y Rheoliad Datblygu Gwledig drafft, mae gostyngiad arall yng nghyllideb C2 yn debygol o olygu y bydd angen i lawer o Aelod-Wladwriaethau ddibynnu ar Golofn 1 werdd fel rhan o gyflawni agenda gwasanaethau'r ecosystemau.

(v). Gyda golwg ar y cynigion manwl a gynigiwyd gan y Comisiwn, dyma sylwadau'r Cyngor Cefn Gwlad:

- O ran taliadau uniongyrchol, wrth newid o daliadau hanesyddol i daliadau ardal, bydd hynny'n golygu dosbarthu incwm. Mae'n anodd rhagweld beth fydd effeithiau economaidd, cymdeithasol ac amgylcheddol hon yn anodd eu rhagweld. Er mwyn osgoi effeithiau niweidiol, bydd yn bwysig sicrhau bod Llywodraeth Cymru'n gallu sefydlu cyfres o "isranbarthau" a bod modd sefydlu taliad sylfaenol unffurf yr hectar o'u mewn yn unol â natur y tir a'r mathau o ffermio sydd ar waith.
- Mae'r Cynllun Ffermwyr Bychain yn un gorfodol yn y bôn, oherwydd os bydd ffermwyr yn dewis ymgeisio, bydd angen i'r Aelod-Wladwriaeth/Rhanbarth perthnasol dalu rhwng 500 a 1000 ewro y fferm y flwyddyn. Gallai'r costau gweinyddol fod yn sylweddol a byddai'n fwy priodol pe caniateid i Aelod-Wladwriaethau weithredu cynlluniau o'r fath ar sail ddewisol. Os bydd y cynllun yn parhau'n un gorfodol, yna dylai gofynion trawsgydymffurfio barhau i fod yn berthnasol i bawb sy'n cymryd rhan ynddo.
- Ar hyn o bryd, mae mesur cyfyngiadau naturiol (a elwid gynt yn Ardal Lai Ffafirol) yng Ngholofn 1 ac yng Ngholofn 2. Er mwyn i Lywodraeth Cymru gadw at ei hymrwymiad presennol i fynd i'r afael â cholli bioamrywiaeth, rheoli dŵr a newid yn yr hinsawdd, bydd yn bwysig sicrhau bod y mesurau cyfyngiadau naturiol yn parhau'n rhai dewisol.
- A dibynnu ar ragor o negodi ar lefel yr UE, mae'n bosibl y gellid defnyddio Colofn 1 werddach i gymell ffermwyr i ymuno â chynlluniau amaeth-amgylchedd drwy sicrhau eu bod yn cael eu heithrio rhag y gofynion gwyrdd yn yr un modd ag yr eithrir ffermwyr organig. Ar y llaw arall, gellid defnyddio'r mesurau gwyrdd i "godir bar" ar gyfer y rheini sy'n cymryd rhan mewn cynlluniau amaeth-amgylchedd, gan sicrhau bod modd defnyddio cronfeydd y Cynllun Datblygu Gwledig i brynu lefel uwch o fudd i'r amgylchedd.
- Er bod y Cyngor Cefn Gwlad yn sylweddoli ei bod yn ddymunol sicrhau cyn lleied o newidiadau â phosibl i Glastir, mae'r hyn a gynigir gan yr UE, sef y gofyniad y dylai mesurau gwyrdd Colofn 1 fynd "y tu hwnt i drawsgydymffurfio" yn golygu ei bod yn debygol y bydd angen addasiadau eraill i elfen Cymru gyfan. Er enghraifft, byddai addasu neu ddileu opsiynau 15B a 15D (porfeydd parhaol y bwydir hyd at 100kg o nitrogen iddynt y flwyddyn) yn ei gwneud hi'n fwy tebygol y bydd y Comisiwn yn cytuno â'r cynnig y dylai pawb sy'n cymryd rhan yng nghynllun Glastir gael ei eithrio rhag gofynion gwyrddu C1.
- Er mwyn sicrhau bod Llywodraeth Cymru'n gallu gwireddu ei hymrwymladau amgylcheddol a Fframwaith arfaethedig yr Amgylchedd Naturiol, mae'n dal yn angenrheidiol sicrhau gwell cyllideb Colofn 2 ar lefel yr UE yn ogystal â chynnydd yn nyraniad Colofn 2 ar gyfer y Deyrnas Unedig ac ar gyfer Cymru. Ar yr un pryd, bydd

angen i Lywodraeth Cymru gynnal ei hymrwymiaidau presennol o ran ei hadnoddau hi ei hun, gan ddefnyddio i'r eithaf yr hyblygrwydd sy'n caniatáu iddi drosglwyddo cronfeydd o Golofn 1 i Golofn 2.

- Mae angen i bob Aelod-Wladwriaeth/Rhanbarth gynnal lefelau presennol eu hymrwymiaidau o ran amaeth-amgylchedd a'r hinsawdd, yn ogystal â sicrhau bod pob Cynllun Datblygu Gwledig yn dyrannu o leiaf 25% o gyfraniad Cronfa Amaethyddiaeth Ewrop ar gyfer Datblygu Gwledig er mwyn cyflawni mesurau rheoli tir, ac awgrymir hyn yn y rhagair i'r Rheoliad Datblygu Gwledig drafft. Byddai sicrhau bod y gofyniad hwn yn cael ei gynnwys ym mhrif destun y Rheoliad newydd hefyd yn help i sicrhau cae chwarae gwastad ar lefel Ewrop.

(vi). Er mwyn atgyfnerthu ei safbwynt negodi, bydd angen i Lywodraeth Cymru wneud digon o waith modelu ar effaith mesurau gwyrddu C1 yn ogystal ag ar ddsbarthiad y taliadau sylfaenol. Yn benodol, bydd angen cael gwybod yn bendant a yw cymryd rhan yn elfen Cymru gyfan Glastir yn ddigon i gyflawni gofyniad arfaethedig yr Ardal â Ffocws Ecolegol.

(vii) Mae'r Cyngor Cefn Gwlad wedi cynnig nifer o welliannau penodol i'r rheoliadau drafft, yn enwedig yng nghyswllt gwyrddu Colofn 1. Edrychwn ymlaen at drafod ein cynigion â'r Pwyllgor.

## **1. Rhagarweiniad**

1.1. Mae Cyngor Cefn Gwlad Cymru'n hyrwyddo amgylchedd a thirweddau Cymru ynghyd â dyfroedd ei glannau sy'n gyforiog o gyfoeth naturiol a diwylliannol, a hynny'n sail ar gyfer gweithgarwch economaidd a chymdeithasol, ac yn fannau lle y gall pobl fanteisio ar gyfleoedd i hamddena a dysgu. Ein nod yw gwneud yr amgylchedd yn rhan werthfawr o fywyd pawb yng Nghymru.

1.2 Bydd oddeutu 80% o dir Cymru'n cael ei ffermio. Felly, mae gan y diwydiant amaeth swyddogaeth bwysig o ran helpu'r Cyngor Cefn Gwlad a Llywodraeth Cymru i wireddu'r blaenoriaethau y cytunwyd arnynt ar gyfer bioamrywiaeth, y dirwedd a mynediad y cyhoedd i gefn gwlad.

1.3 Er bod amrywiaeth eang o sbardunau'n effeithio ar amaethyddiaeth, mae'r Polisi Amaethyddol Cyffredin (PAC) yn dal i gael dylanwad enfawr ar ymddygiad ffermwyr unigol yn ogystal ag ar siâp cyffredinol y diwydiant. Gweledigaeth y Cyngor Cefn Gwlad ar gyfer dyfodol y PAC yn y tymor hir yw newid pwyslais sylfaenol, gan drawsnewid y polisi a chanolbwyntio ar ddarparu ystod eang o fuddion cyhoeddus ochr yn ochr â chynhyrchu bwyd. Mae'r buddion cyhoeddus hyn cynnwys rheoli aer a dŵr glân, priddoedd iach, bioamrywiaeth, tirweddau diwylliannol a mynediad cyhoeddus i gefn gwlad<sup>2</sup>. Elfennau ganolog o'n gweledigaeth yw rôl ffermwyr yn rheoli amrywiaeth o wasanaethau ecosystemau, gan gynnwys dal a storio carbon, storio llif a chylchu maetholion. Mae gan bob un o'r rhain ran hollbwysig yn ategu cynhyrchaeth amaethyddol. Mae hyn yn adlewyrchu'r dull a ddisgrifiwyd yn Fframwaith yr Amgylchedd Naturiol sydd wrthi'n cael ei ddatblygu ar gyfer Cymru.<sup>3</sup>

<sup>2</sup> Mae Comisiwn Ewrop wedi comisiynu adroddiad mawr yn ddiweddar ynglŷn â buddion cyhoeddus ac amaethyddiaeth. Mae hwn ar gael yn: [http://ec.europa.eu/agriculture/analysis/external/public-goods/report\\_en.pdf](http://ec.europa.eu/agriculture/analysis/external/public-goods/report_en.pdf)

<sup>3</sup> Mae rhagor o wybodaeth yn: <http://wales.gov.uk/topics/environmentcountryside/consmanagement/nef/?lang=cv>

## **2. Cefndir**

2.1. Cyhoeddwyd Dogfen Gyfathrebu Comisiwn Ewrop am ddiwygio'r PAC ar ôl 2013 ar 18 Tachwedd 2010<sup>4</sup>. Roedd hwn yn gosod y cyd-destun ar gyfer y rownd negodi bresennol drwy dynnu sylw at bryderon ynglŷn â diogelu'r cyflenwad bwyd, adnoddau amgylcheddol a newid yn yr hinsawdd yn ogystal â phwysleisio amrywiaeth y sefyllfaoedd amgylcheddol, cymdeithasol, economaidd a rheoli tir sy'n bodoli yng ngwahanol rannau'r UE.

2.2. Cyhoeddwyd cynigion deddfwriaethol drafft y Comisiwn ar gyfer y PAC yn ffurfiol ar 12 Hydref 2011, er bod fersiynau answyddogol o'r Rheoliadau unigol wedi bod cylchredeg ers canol mis Awst. Y pecyn terfynol yw'r sail ar gyfer y negodi presennol. Mae'n cynnwys saith Rheoliad<sup>5</sup> drafft ar wahân, ac mae i dri o'r rheini oblygiadau ar gyfer amaethyddiaeth Cymru a'r amgylchedd:

- Cynnig i sefydlu rheolau ar gyfer cynlluniau talu uniongyrchol i ffermwyr (Rheoliad Taliadau Uniongyrchol);
- Cynnig ynglŷn ag ariannu, rheoli a monitro'r Polisi Amaethyddol Cyffredin (y Rheoliad 'Llorweddol');
- Cynnig ynglŷn â chymorth ar gyfer datblygu gwledig gan Gronfa Amaethyddol Ewrop ar gyfer Datblygu Gwledig.

2.3 Mae'r pedwar Rheoliad arall yn ymwneud â materion technegol sydd a wnelo â threfniadaeth marchnadoedd amaethyddol a mesur pontio sydd i fod i sicrhau bod modd parhau i fodiwleiddio taliadau uniongyrchol yn ystod 2013.

2.4 Gyda'r pecyn rheoleiddio, ceir Asesiad o Effaith<sup>6</sup> yr amrywiol senarios diwygio a ddisgrifiwyd yn Nogfen Gyfathrebu wreiddiol y Comisiwn ynglŷn â diwygio'r PAC yn ôl ym mis Tachwedd 2010. Cyflwynodd Llywodraeth Cymru a Chyngor Cefn Gwlad Cymru dystiolaeth o'r blaen ym mis Ionawr 2011 fel rhan o broses Asesu Effaith 2010<sup>7</sup>. Mae'r Asesiad Effaith terfynol yn defnyddio canlyniadau'r broses ymgynghori drwy'r UE cyn archwilio gwaith mwy diweddar gan y Comisiwn ar ddatblygu'r "senario integreiddio" a ffefrir. O dan hwnnw, bydd taliadau uniongyrchol yn chwarae rôl gynyddol o ran sicrhau buddion cyhoeddus amgylcheddol (yr hyn a elwir yn 'wyrddu' Colofn 1) ochr yn ochr â chymorth incwm sylfaenol a chynyddu nifer mesurau C2.

2.5 Nid oes modd dianc rhag y cysylltiad rhwng gwneud cynnydd o ran diwygio'r PAC â'r ddadl barhaus ynglŷn â maint a phwmpas cyllideb yr UE. Pan gyhoeddwyd y Fframwaith Ariannol Amlflwydd ddiwedd mis Mehefin 2011, roedd hynny'n arwydd o fwriad y Comisiwn o fwrw ymlaen â senario integreiddio'r PAC sy'n cynnal y cydbwysedd ariannol presennol rhwng Colofn 1 (taliadau uniongyrchol) a Cholofn 2 (datblygu gwledig). Mae'r Fframwaith

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<sup>4</sup> “The CAP towards 2020: meeting the food, natural resources and territorial challenges of the future”. Ar gael yn: [http://ec.europa.eu/agriculture/cap-post-2013/communication/index\\_en.htm](http://ec.europa.eu/agriculture/cap-post-2013/communication/index_en.htm)

<sup>5</sup> Ar gael yn: [http://ec.europa.eu/agriculture/cap-post-2013/legal-proposals/index\\_en.htm](http://ec.europa.eu/agriculture/cap-post-2013/legal-proposals/index_en.htm)

<sup>6</sup> Ar gael yn: [http://ec.europa.eu/agriculture/cap-post-2013/legal-proposals/index\\_en.htm](http://ec.europa.eu/agriculture/cap-post-2013/legal-proposals/index_en.htm)

<sup>7</sup> Mae copi o gyflwyniad y Cyngor Cefn Gwlad ar gael dim ond ichi ofyn.

Ariannol Amlflwydd hefyd yn datgelu bod cyllideb y PAC yn debygol o grebachu oddeutu 9.2% mewn termau real dros y cyfnod 2014-2020 ac o 39.6% i 36.1% fel canran o gyllideb yr UE drwyddi draw<sup>8</sup>.

2.6 A chadw'r hinsawdd ariannol bresennol mewn cof, nid yw'n sicr o bell ffordd y bydd Aelod-Wladwriaethau meddwl bod y gostyngiadau a gynigir yng ngwariant y PAC yn ddigon. Serch hynny, mae gan Senedd Ewrop bwerau cydbenderfynu bellach ochr yn ochr â'r Comisiwn a'r Cyngor o dan Gytuniad Lisbon. At hynny, mae Senedd Ewrop wedi penderfynu y dylai'r "symiau a ddyrennir i'r PAC ym mlwyddyn gyllideb 2013 [mlwyddyn olaf y persbectif ariannol presennol] gael eu cynnal o leiaf yn ystod y cyfnod rhaglennu ariannol nesaf"<sup>9</sup>.

### **3. Elfennau Allweddol cynigion presennol y Comisiwn i ddiwygio'r PAC**

#### Rheoliad Taliadau Uniongyrchol

3.1. Er mwyn bod yn gymwys ar gyfer y "Cynllun Taliadau Sylfaenol" (sy'n cyfateb i Gynllun y Taliad Sengl ac yn werth hyd at fwyafswm o 68% o'r arian sydd ar gael o fewn y nenfwd cenedlaethol/rhanbarthol ar gyfer Colofn 1) rhaid i ffermwyr ddilyn amrywiaeth o arferion amaethyddol sydd er budd yr amgylchedd yn ogystal â pharchu gofynion trawsgydymffurfio:

- Os yw arwynebedd y tir â'r fwy na 3ha, rhaid tyfu o leiaf 3 chnwd gwahanol, gyda lleiafswm o 5% a mwyafswm o 70% o'r ardal gymwys yn achos pob cnwd (Erthygl 30);
- Rhaid cynnal porfeydd parhaol (a ddiffinnir yn weidir ac yn borthiant llysieuol) er y caniateir i ffermwyr leihau arwynebedd y porfeydd parhaol hyd at 5% yn 2014 dros gyfnod amhenodol (Erthygl 31);
- Rhaid neilltuo o leiaf 7% o'r hectarau cymwys (ac eithrio tir sydd o dan weidir parhaol) i "Ardaloedd â Ffocws Ecolegol". Gall y rhain gynnwys gwyndwn, nodweddion tirweddol, lleiniau clustog a thir amaeth lle mae coed wedi'u plannu (Erthygl 32).

3.2. Mae gofyn i Aelod-Wladwriaethau/Rhanbarthau ddefnyddio 30% o'u cyllideb taliadau uniongyrchol i dalu am y gofynion gwyrddu (Erthygl 33.1). Serch hynny, os bydd ffermwyr unigol yn methu â chydymffurfio â'r mesurau gwyrddu, nid yw'n glir pa mor fawr fyddai'r gosb. Mae paragraff 26 y rhagair i'r Rheoliad Taliadau Uniongyrchol yn cyfeirio at roi cosbau ar waith o dan Erthygl 65 y Rheoliad Llorweddol, sy'n grymuso Aelod-Wladwriaethau i leihau'r cymorth neu i eithrio ffermwyr o'r cynlluniau perthnasol. Yn groes i hynny, mae Erthygl 29 o'r Rheoliad Taliadau Uniongyrchol yn cyfeirio at y gofyniad ei bod yn "rhaid i ffermwyr sydd â'r hawl i'r .... cynllun taliadau sylfaenol.....ar yr hectarau sy'n gymwys" gadw at y mesurau gwyrddu. Awgryma Erthygl 29, felly, na fydd gan ffermwyr sy'n methu â chadw at y mesurau gwyrddu yr hawl i daliadau sylfaenol.

<sup>8</sup> "A Budget for Europe 2020 - Part I - Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions".

Ar gael yn: [http://ec.europa.eu/budget/biblio/documents/fin\\_fw1420/fin\\_fw1420\\_en.cfm#doc2](http://ec.europa.eu/budget/biblio/documents/fin_fw1420/fin_fw1420_en.cfm#doc2)

<sup>9</sup> Penderfyniad Senedd Ewrop ar 8 Mehefin ynglŷn â "Investing in the future: a new Multiannual Financial Framework (MFF) for a competitive, sustainable and inclusive Europe (2010/2211(INI)", P7\_TA-PROV(2011)0206, Rapporteur: Salvador Garriga Polledo, para 82.

3.3. Rhaid i Aelod-Wladwriaethau/Rhanbarthau hefyd ddyrannu hyd at 2% o'r gyllideb taliadau uniongyrchol i gynorthwyo ffermwyr ifanc (Erthygl 37) ac mae gofyn iddynt sefydlu cynllun ffermwyr bychain a allai fod yn 10% arall o'r gyllideb (Erthygl 51.2). Ar yr un pryd, gall Aelod-Wladwriaethau/Rhanbarthau ddewis defnyddio hyd at 5% o'r gyllideb i gynorthwyo ffermwyr Ardaloedd Llai Ffafriol (Erthygl 35), a gellir neilltuo 5% arall i "fathau penodol o ffermio sy'n bwysig am resymau economaidd neu gymdeithasol" (Erthygl 39). Petai'r holl elfennau hyn yn cael eu defnyddio, byddai'r dyraniad ar gyfer taliadau sylfaenol yn gostwng i fymryn o dan 50% o gyfanswm y gyllideb sydd ar gael ar gyfer taliadau uniongyrchol yn yr Aelod-Wladwriaeth/Rhanbarth dan sylw.

3.4. Dyma rai o elfennau pwysig eraill y Rheoliad drafft:

- Bydd gofyn i bob Aelod-Wladwriaeth/Rhanbarth symud at system taliadau uniongyrchol sy'n seiliedig ar ardal dros gyfnod pontio pum mlynedd yn dechrau ar 1 Ionawr 2014 ac yn gorffen ar 1 Ionawr 2019 (Erthygl 22.5);
- Bydd Taliadau Sylfaenol sy'n fwy na 150,000 ewro yn cael eu gostwng yn ôl graddfa (20% ar gyfer symiau rhwng 150-200,000 Ewro; 40% ar gyfer symiau rhwng 200-250,000 Ewro a 70% ar gyfer symiau rhwng 250-300,000 Ewro) a rhoddir cap ar fwyafswm o 300,000 Ewro y ffermwr (Erthygl 11).
- Dim ond i "ffermwyr gweithredol" y rhoddir taliadau uniongyrchol. Yn ôl y diffiniad, ffermwyr yw'r rhain y mae eu taliadau uniongyrchol yn fwy na 5% o gyfanswm yr hyn y maent ei dderbyn drwy weithgareddau nad ydynt yn weithgareddau amaethyddol. Bydd ffermwyr sy'n derbyn llai na 5000EUR y flwyddyn ar ffurf taliadau uniongyrchol yn cael eu heithrio rhag y gofyniad ynglŷn â ffermwr gweithredol (Erthygl 9).
- Er mwyn cryfhau'r polisi datblygu gwledig (Colofn 2), bydd Aelod-Wladwriaethau'n gallu trosglwyddo hyd at 10% o'u dyraniad taliadau uniongyrchol (Colofn 1) i'w dyraniad datblygu gwledig (Colofn 2). Diddymir y gofynion presennol o ran modiweiddio gorfodol (5%) a modiweiddio gwirfoddol (hyd at 20% yn achos y Deyrnas Unedig).
- Bydd Aelod-Wladwriaethau lle mae lefel y cymorth uniongyrchol yn dal o dan 90% o gyfartaledd Ewrop (gan gynnwys y Deyrnas Unedig) yn gallu trosglwyddo hyd at 5% o'u dyraniadau datblygu gwledig i'w cyllideb taliadau uniongyrchol mewn proses a elwir fel arall yn "fodiweiddio o chwith" (Erthygl 14).

#### Rheoliad Datblygu Gwledig

3.5. Er bod llawer o bethau yn y Rheoliad drafft yn bethau cyfarwydd o ran y mathau o offerynnau polisi sydd ar gael, mae sawl newid pwysig hefyd. Daw'r rhain ar ffurf offerynnau newydd (megis pecyn rheoli risg) yn ogystal â gofynion newydd o ran sut mae gofyn i Aelod-Wladwriaethau/Rhanbarthau lunio'r genhedlaeth newydd o Gynlluniau Datblygu Gwledig wrth nesáu at 2014. Yn unol â Strategaeth Ewrop 2020<sup>10</sup>, rhaid cyflawni amcanion tymor hir presennol y Rheoliad Datblygu Gwledig (gwell gallu i gystadlu, rheoli adnoddau naturiol

<sup>10</sup> Ar gael yn: [http://ec.europa.eu/europe2020/targets/eu-targets/index\\_en.htm](http://ec.europa.eu/europe2020/targets/eu-targets/index_en.htm)

mewn ffordd gynaliadwy a datblygu tir mewn ffordd gytbwys) drwy fynd i'r afael â'r chwe blaenoriaeth a ganlyn sydd gan yr UE:

- Meithrin trosglwyddo gwybodaeth ym maes amaeth a choedwigaeth;
- Gwneud pob math o amaethyddiaeth yn fwy cystadleuol;
- Hyrwyddo trefniadaeth y gadwyn fwyd a rheoli risgiau mewn amaethyddiaeth;
- Gwarchod a chryfhau ecosystemau sy'n dibynnu ar amaethyddiaeth a choedwigaeth;
- Hybu effeithlonrwydd o ran adnoddau a throi at economi sy'n rhad ar garbon;
- Gwireddu potensial a datblygu cyflogaeth mewn ardaloedd gwledig.

3.6 Rhaid i bob un o'r blaenoriaethau uchod gyfrannu hefyd at amcanion trawsbynciol arloesi, yr amgylchedd a lliniaru ac addasu yn sgil newid yn yr hinsawdd (Erthygl 5).

3.7. Yn ôl y Rheoliad Rheolau Cyffredin drafft a ryddhawyd fel rhan o gynigion y Comisiwn ynglŷn â pholisi Cydlyniant y Comisiwn ar 6 Hydref 2011<sup>11</sup>, mae gofyn i Aelod-Wladwriaethau (yn hytrach na Rhanbarthau) baratoi "contract partneriaeth" ar gyfer y cyfnod 1 Ionawr 2014 hyd at 31 Rhagfyr 2020. Bwriedir i'r contractau hyn ymwneud â defnyddio holl ffynonellau ariannu'r UE mewn ffordd gyfannol (Cronfa Amaethyddiaeth Ewrop ar gyfer Datblygu Gwledig, Cronfa Datblygu Rhanbarthol Ewrop, Cronfa Strwythurol Ewrop, y Gronfa Cydlyniant a Chronfa Pysgodfeydd Ewrop) yn yr Aelod-Wladwriaeth dan sylw.

3.8. Ar lefel y Rhanbarth (h.y. Cymru) bydd gofyn hefyd i bob Cynllun Datblygu Gwledig ddangos bod cyfuniadau perthnasol o fesurau (megis amaeth-amgylchedd, coedwigaeth, ardaloedd llai ffafriol, buddsoddi, trosglwyddo gwybodaeth, rheoli risg ac ati ac ati) yn cael eu defnyddio yn y fath fodd fel bod modd mynd i'r afael â phob un o chwe blaenoriaeth yr UE, gan osod targedau ar sail dadansoddiad Cryfderau Gwendidau Cyfleoedd a Bygythiadau o'r diriogaeth dan sylw (Erthygl 9). Diddymir y drefn bresennol lle'r oedd Aelod-Wladwriaethau/Rhanbarthau'n gorfod cydymffurfio â'r cyfyngiadau (uchafswm ac isafswm) ar faint o Gronfa Amaethyddiaeth Ewrop ar gyfer Datblygu Gwledig y gellid ei neilltuo ar gyfer cystadleurwydd; rheoli adnoddau naturiol; datblygu cymdeithasol ac economaidd a LEADER (y dull a oedd yn seiliedig ar hyn a elwid y "Echelau").

3.9. Dyma rai o elfennau pwysig eraill y Rheoliad drafft:

- Mae'r mesur amaeth-amgylchedd yn dal yn fesur gorfodol (er bod Erthygl 9 bellach yn cyfeirio at "amaeth-amgylchedd-hinsawdd") ac un newid i'w groesawu ers fersiwn answyddogol blaenorol y Rheoliad Datblygu Gwledig yw bod paragraff 28 y rhagair bellach yn cyfeirio at gyfraniad o leiaf 25% o Gronfa Amaethyddiaeth Ewrop ar gyfer Datblygu Gwledig i bob Cynllun Datblygu Gwledig yn cael ei ddyrannu i amaeth-amgylchedd-hinsawdd, i ffermio organig ac i fesurau mewn ardaloedd llai ffafriol.

<sup>11</sup> Ar gael yn: [http://ec.europa.eu/regional\\_policy/what/future/proposals\\_2014\\_2020\\_en.cfm#5](http://ec.europa.eu/regional_policy/what/future/proposals_2014_2020_en.cfm#5)



- Pwyslais o'r newydd ar drosglwyddo gwybodaeth a chyingor (Erthyglau 15 ac 16) a defnyddio'r mesur hwn yn thema drawsbynciol yng nghyswllt mesurau eraill megis rhai amaeth-amgylchedd (Erthygl 29.4).
- Y gallu i dalu i ffermwyr a choedwigwyr i wneud iawn am eu costau a'r incwm a gollant yn sgil cydymffurfio â dynodiadau Natura 2000 a rhoi'r Gyfarwyddeb Fframwaith Dŵr ar waith (Erthygl 31).
- Diffiniad newydd o ardaloedd anfynddug "sy'n wynebu cyfyngiadau naturiol a chyfyngiadau penodol eraill (a elwid gynt yn ardaloedd llai ffafriol) a hwnnw wedi'i seilio ar wyth o feini prawf bioffisegol o dan benawdau cyffredinol hinsawdd, pridd a thirwedd (Erthygl 33 ac Atodiad II). Gellir rhoi taliadau pontio i ffermwyr nad ydynt yn gymwys rhagor i gael taliadau o dan y diffiniad newydd, gan ddechrau ar 80% o'r taliad presennol yr ha yn 2014 ac yn gorffen yn 2017 ar 20% o'r taliad presennol (Erthygl 32).
- Mwy o bwyslais ar hybu cydweithredu ymhlith ffermwyr (Erthygl 36) gan gynnwys y gallu i gyfrannu at gostau trafodion grwpiau o ffermwyr sy'n cymryd rhan mewn cynlluniau amaeth-amgylchedd ar gyfradd o hyd at 30% o swm yr incwm a gollwyd a'u costau (Erthygl 29.6).
- Mesurau newydd sy'n ymwneud â rheoli risg, gan gynnwys iawndal am golledion yn sgil trychinebau naturiol yn ogystal â chyfraniadau ariannol i gronfeydd cydfuddiannol ar gyfer talu iawndal ac i helpu i greu "arf sefydlogi incwm" (Erthyglau 37-40).
- Dull newydd o ysgogi arloesi yng nghyswllt gwella cynhyrchaeth amaethyddol a chynaliadwyedd (Erthyglau 53 a 61-63). Partneriaeth Arloesi Ewropeaidd newydd fydd yn bwrw ymlaen â'r gwaith hwn a'i nod fydd codi pontydd rhwng gwaith sydd ar flaen y gad ym maes ymchwil, gwybodaeth a thechnoleg a ffermwyr, busnesau a gwasanaethau cynghori.

### Rheoliad Llorweddol

3.10. Er bod a wnelo'r rheoliad yn bennaf â materion technegol sydd o ddiddordeb i'r Asiantaethau Talu, mae i nifer o bynciau oblygiadau amgylcheddol:

- Mae swyddogaeth y Gwasanaeth Cynghori Ffermwyr wedi'i hehangu'n sylweddol, yn hytrach na'i bod wedi'i chyfyngu i faterion trawsgydymffurfio fel yr oedd gynt. Bellach, rhaid i'r ystod o bynciau yr ymdrinnir â hwy gynnwys y gofynion rheoli statudol a chyflwr amaethyddol ac amgylcheddol da; mesurau gwyrddu C1; camau sy'n gysylltiedig â lliniaru effaith newid yn yr hinsawdd ac addasu iddo, bioamrywiaeth, gwarchod dŵr, clefydau anifeiliaid ac arloesi yn ogystal â datblygiad economaidd ffermydd bychain mewn ffordd gynaliadwy (Erthyglau 12-15 ac Atodiad I)
- Estynnir cwmpas trawsgydymffurfio i gynnwys y Gyfarwyddeb Fframwaith Dŵr (o fewn 12 mis o'r funud y mae'r Aelod-Wladwriaeth olaf wedi dweud wrth y Comisiwn ei bod wedi rhoi'r Gyfarwyddeb ar waith) a'r Gyfarwyddeb Plaladdwyr (dyddiad gweithredu'n unol â'r Gyfarwyddeb Fframwaith Dŵr).

- Er mwyn sicrhau bod holl safonau a gofynion trawsgydymffurfio'n cael eu dehongli'n gyson, fe'u trefnir yn awr mewn un rhestr a'u grwpio yn ôl pynciau a materion (Erthyglau 93 a 94 yn ogystal ag Atodiad II). Ychwanegwyd dwy safon newydd sy'n ymwneud â chyflwr amaethyddol ac amgylcheddol da er mwyn gwarchod y pridd a sicrhau cyn lleied o ollyngiadau nwyon tŷ gwydr ag y bo modd. Mae'r rhain yn gofyn cynnal deunydd organig y pridd a gwarchod gwlypdiroedd a phriddoedd sy'n gyforiog o garbon.
- Bydd y fframwaith monitro a gwerthuso cyffredin yn ymwneud â pherfformiad y drefn taliadau uniongyrchol (gan gynnwys trawsgydymffurfio) a rhoi mesurau'r farchnad ar waith yn ogystal ag â'r mesurau Datblygu Gwledig (Erthygl 110).

#### **4. Beth allai cynigion Comisiwn Ewrop ei olygu i Gymru?**

4.1. Er bod llawer o waith i'w wneud eto cyn sicrhau cytundeb, mae pensaernïaeth gyffredinol y PAC ar ôl 2013 yn eglurach yn raddol bach. Er bod gan nifer sylweddol o'r Aelod-Wladwriaethau, sefydliadau ffermwyr a Chyrff Anllywodraethol amheuan sylweddol ynglŷn â gwyrddu Colofn 1<sup>12</sup> (er bod eu rhesymau dros hynny'n amrywio'n fawr) mae cryn gefnogaeth o blaid mynd o'i chwmpas hi fel hyn o fewn y Comisiwn. Dywedodd Dacian Ciolos (Amaethyddiaeth), Connie Hedegard (Hinsawdd) a Janez Potocnik (yr Amgylchedd) ym mis Mawrth 2011 fod "*Gwyrddu, ochr yn ochr ag aiddosbarthu taliadau uniongyrchol ac atgyfnerthu cystadleurwydd ym maes amaethyddiaeth a datblygu gwledig yw craidd PAC y dyfodol*"<sup>13</sup>.

##### Taliadau Sylfaenol

4.2. O safbwynt Cymru, un o'r agweddau pwysicaf ar y cynigion presennol yw bod sylfaen taliadau uniongyrchol yn newid, gan symud oddi wrth y dull hanesyddol (wedi'i seilio ar y cymorthdaliadau a gafwyd yng nghyfnod cyfeirio 2000-2002) a thuag at daliad unffurf yr hectar. Mae un Comisiynydd Amaeth ar ôl y llall wedi dweud ers tro bod angen newid o'r fath ac mae un Gweinidog Amaeth ar ôl y llall yng Nghymru hefyd wedi derbyn hynny. Er enghraifft ar 5 Gorffennaf 2011, dywedodd y Dirprwy Weinidog Amaeth, Pysgodfeydd a Rhaglenni Ewropeaidd fod "*symud at Daliad Sengl mwy gwastad sy'n seiliedig ar ardal yn anochel. Ni allaf gyfiawnhau system sydd wedi'i seilio ar batrymau ffermio 10 mlynedd a mwy yn ô, system sydd hefyd yn codi rhwystrau i newydd-ddyfodiaid ifanc*"<sup>14</sup>.

4.3. Aeth y Gweinidog yn ei flaen hefyd i ddweud bod "*ein hymchwil ni'n hunain wedi dangos y bydd taliadau ardal yn golygu aiddosbarthu incwm*". A'r Cyngor Cefn Gwlad yn aelod o grŵp llywio Llywodraeth Cymru ar ddiwygio'r, mae wedi gweld y gwaith ymchwil hwn ac

<sup>12</sup> "Member States fear Pillar 1 greening will complicate CAP". *Agra Europe 20<sup>th</sup> Medi 2011*. Ar gael yn: <http://www.agra-net.com/portal2/home.jsp?template=pubarticle&artid=1315565604578&pubid=ag002>

<sup>13</sup> *Comisiynwyr Ciolos, Hedegard and Potocnik -llythra r y cyd at Aelod-Wladwriaethau ynglŷn â diwygio'r CAP, Mawrth 2011(dim dolen i'r wefan, ond mae copi ar gael dim ond ichi ofyn)*

<sup>14</sup> *Datganiad am Ddiwygio'r PAC gan Alun Davies, Dirprwy Weinidog Amaethyddiaeth, Bwyd, Pysgodfeydd a Rhaglenni Ewrop. 5 Gorffennaf 2011*. Ar gael yn: <http://www.assemblywales.org/bus-home/bus-chamber-fourth-assembly-rop.htm?act=dis&id=219203&ds=7%2F2011#dat2>

mae'n amlwg y bydd rhai ar eu colled yn ogystal â rhai ar eu hennill yn sgil unrhyw system. Mae sawl model wedi'i brofi yn y gorffennol (gan gynnwys cyfraddau talu is fesul hectar o fewn yr ardal lai ffafriol fel sy'n digwydd gyda'r cynllun presennol yn Lloegr) ond mae'r drafft presennol o'r Rheoliad Taliadau Uniongyrchol yn dweud bod angen symud at 'werth unfurf yr uned' ar gyfer pob taliad y mae gan rywun hawl iddo mewn Aelod-Wladwriaeth neu Ranbarth. Er y byddai'r geiriad hwn i bob golwg yn ein hatal mynd ati mewn ffordd ranbarthol yng Nghymru ei hun, mae Erthygl 20 (1) yn caniatáu i Aelod-Wladwriaethau "ddiffinio rhanbarthau'n unol â meini prawf gwrthrychol anwahaniaethol megis eu nodweddion agronomig ac economaidd, eu potensial amaethyddol rhanbarthol a'u strwythurau sefydliadol a gweinyddol". Bydd angen cael eglurhad ynglŷn ag a yw'r Erthygl hon hefyd yn caniatáu i Lywodraeth Cymru ddiffinio nifer o "isranbarthau" o fewn Cymru ei hun (megis ardaloedd nad ydynt yn ardaloedd llai ffafriol, ardaloedd llai ffafriol sydd dan lai o anfantais ac ardaloedd llai ffafriol sydd dan anfantais ddifrifol).

4.4. Mae Llywodraeth Cymru wrthi'n edrych ar nifer o fodelau cyfradd-safonol ac mae'r Cyngor Cefn Gwlad wedi cael ar ddeall y caiff y canlyniadau eu rhannu â Grŵp Rhanddeiliaid C1 maes o law. Ar hyn o bryd, mae'n glir y byddai taliad cyfradd-safonol syml ar gyfer holl dir Cymru'n arwain at symud derbyniadau'n sylweddol oddi wrth ardaloedd llawr gwlad (yn enwedig oddi wrth y ffermydd hynny lle'r oedd mwy stoc yn ystod y cyfnod cyfeirio) i'r ucheldir). Mae goblygiadau cymdeithasol, economaidd ac amgylcheddol hyn yn debygol o amrywio o'r naill fferm i'r llall a bydd hyd a natur y cyfnod pontio (5 mlynedd ar hyn o bryd, ond gyda'r symiau'n sylweddol uwch ar ddechrau'r cyfnod) hefyd yn fater i'w drafod.

4.5. Nid yw'r cynnig ar gyfer gostyngiad graddedig yn y taliadau cymorth sylfaenol a'u capio'n debygol o achosi problemau gweinyddol sylweddol yng Nghymru oherwydd dim ond llond llaw o'r hawliadau yn y dyfodol sy'n debygol o fod yn hawlio mwy na 150,000 ewro.<sup>15</sup> Yn groes i hynny, fe allai'r gofyniad newydd i ddefnyddio'r diffiniad cyfredol o'r prawf "Ffermwr gweithredol" roi pwysau sylweddol ar yr Is-adran Taliadau Gwledig.

#### Ardaloedd sy'n wynebu cyfyngiadau naturiol neu gyfyngiadau penodol eraill (a elwid gynt yn Ardaloedd Llai Ffafriol)

4.6. Fel y mae cynigion y Comisiwn ar hyn o bryd, gallai'r taliadau am gyfyngiadau naturiol fod yn nodwedd o Golofn 1 a Cholofn 2. I bob golwg, mae'r rhan fwyaf o'r Aelod-Wladwriaethau'n teimlo bod trefniant o'r fath yn orgymhleth ac efallai'n wir fod y Comisiwn wedi'i gynnwys yn bennaf fel tacteg negodi.

4.7. Er mwyn i Lywodraeth Cymru gadw at ei hymrwymiad presennol i fynd i'r afael â cholli bioamrywiaeth, rheoli dŵr a newid yn yr hinsawdd, bydd yn bwysig sicrhau bod y mesurau cyfyngiadau naturiol yn parhau'n ddewisol yng Ngholofn 1 ac yng Ngholofn 2. Ar yr amod bod Llywodraeth Cymru'n gallu rhoi'r cynllun taliadau sylfaenol ar waith ar sail isranbarthol, byddai hyn i bob golwg yn gwneud iawn am unrhyw fuddion a allai ddeillio o ddarparu taliad am gyfyngiadau naturiol o dan Golofn 1.

<sup>15</sup> Llywodraeth Cymru – gohebiaeth bersonol

## Cynllun Ffermwyr Bychain

4.8. Mae geiriad Erthygl 47.1 ("*caiff ffermwyr sydd â'r hawl i daliadau a ddyrannwyd yn 2014....ddewis cymryd rhan mewn cynllun symlach*") yn awgrymu ei bod yn orfodol sefydlu Cynllun Ffermwyr Bychain. Rhaid i ffermwyr sy'n cymryd rhan yn y cynllun hwn gael o leiaf 500 Ewro a dim mwy na 1000 y flwyddyn (Erthygl 49.3). Bydd y rhai sy'n cymryd rhan yn cael eu heithrio o fesurau gwyrddu Colofn 1 (Erthygl 47.3) ac mae Erthygl 92 y Rheoliad Llorweddol yn cynnig y dylid hefyd ddiddymu eu cyfrifoldebau trawsgydymffurfio.

4.9. I bob golwg, nid oes dim trothwyon maint wedi'u pennu ar gyfer y Cynllun Ffermwyr Bychain, a gall ffermydd o unrhyw faint wneud cais a dibynnu ar ba mor ddeniadol, i bob golwg, yw'r taliadau. Fe all fod goblygiadau sylweddol i'r amgylchedd yn sgil hyn os caiff y gofynion trawsgydymffurfio sy'n berthnasol i'r ffermydd hyn eu diddymu fel y cynigir yn Erthygl 92 o'r Rheoliad Llorweddol<sup>16</sup>. At hynny, fe allai costau gweinyddol sefydlu cynllun o'r fath fod yn sylweddol.

## Gwyrddu

4.10. Mae'n anodd mesur effaith y mesurau gwyrddu a gynigir ar hyn o bryd a'r rheswm pennaf am hynny yw bod y Comisiwn yn cynnig y dylid ei rymuso i fabwysiadu "deddfau dirprwyedig" gan ymhelaethu ynglŷn â sut y rhoddir y testunau presennol ar waith ynglŷn ag arallgyfeirio o ran cnydau, porfeydd parhaol ac ardaloedd â ffocws ecolegol, ymhlith eraill (Erthygl 55). Mae'r Cyngor Cefn Gwlad yn cael ar ddeall fod Llywodraeth Cymru'n meddwl bod gwyrddu Colofn 1 yn anghywir yn ei hanfod<sup>17</sup>, a bod gwella'r amgylchedd yn fater mwy priodol i'w gynnwys o dan Golofn 2. Mae Defra'n cytuno â'r farn hon, ond yn wahanol i'r gweinyddiaethau datganoledig, mae am leihau'r pwyslais presennol ar Golofn 1<sup>18</sup>. Mae llawer o'r Aelod-Wladwriaethau eraill a sefydliadau'r ffermwyr yn gwrthwynebu gwyrddu, tra bo Cyrff Anllywodraethol yn Ewrop megis Birdlife yn meddwl nad yw'r mesurau wedi'u datblygu'n ddigonol ar hyn o bryd i sicrhau buddion sylweddol i'r amgylchedd<sup>19</sup>. Serch hynny, mae'r ffaith bod y tri Chomisiynydd - Amaeth, yr Amgylchedd a Newid yn yr Hinsawdd yn ymwneud â hyn ar y cyd yn awgrymu ei bod yn hynod o debygol o hyd y caiff Colofn 1 ei gwyrddu mewn rhyw fodd neu'i gilydd.

4.11. Nid yw'r mesur arallgyfeirio o ran cnydau ond yn berthnasol i'r ffermydd hynny sydd â mwy na 3ha o dir â'r. Fe allai fod o fudd ar dirweddau â'r sy'n cael eu rheoli'n ddwys, ond bydd hyn yn dibynnu ar sut y caiff ei roi ar waith. Yn groes i hynny, mae'n ymddangos y byddai'r gofyniad i dyfu o leiaf dri chnwd lle mae'r tir â'r yn fwy na 3ha o ran ei arwynebedd yn gwneud pobl yn gyndyn o dyfu cnydau â'r ar raddfa fechan i fwydo'u stoc ac ar gyfer gwellt, sydd hefyd o fudd i adar ar dir fferm.. Fe allai hefyd olygu na fyddai cynifer yn manteisio ar yr opsiynau ar gyfer defnyddio tir â'r sydd mewn cynlluniau megis Glastir.

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<sup>16</sup> Mae rhyw 33% o'r ffermydd yn 27 yr UE o dan 3 hectar

<sup>17</sup> *Safbwynt Llywodraeth Cymru ar ddiwygio'r PAC - 5 Gorffennaf 2011. Op cit.*

<sup>18</sup> "Britain and Poland call for radical CAP reform" Medi 2011. Ar gael yn: <http://www.defra.gov.uk/news/2011/09/20/britainpolandcapreform/>

<sup>19</sup> "Common Agricultural Policy (CAP) reform: Radical re-think needed to make the CAP really deliver for the environment". Birdlife International. Medi 2011. Ar gael yn: [http://www.cap2020.ieep.eu/assets/2011/9/5/Tests\\_of\\_greening-BirdLife-PDF\\_1.pdf](http://www.cap2020.ieep.eu/assets/2011/9/5/Tests_of_greening-BirdLife-PDF_1.pdf)

4.12. Efallai na fydd y cyfyngiadau a gynigir ar aredig porfeydd parhaol yn cryfhau fawr ddim at y warchodaeth a ddarperir eisoes gan Reoliadau presennol yr Asesiad o'r Effaith Amgylcheddol (Tir heb ei Drin) a'r gofyniad presennol yn y PAC i bob Aelod-Wladwriaeth/Rhanbarth gymryd camau i atal dirywiad sylweddol yng nghyfanswm arwynebedd y porfeydd parhaol. Diffiniad eang iawn a geir o borfeydd parhaol o dan Erthygl 4 o'r Rheoliad drafft newydd ac mae'n cynnwys "pob gwair a gwyndwn llysieuol arall.....nad ydynt wedi'u cynnwys yn y cylchdro cnydau ers pum mlynedd neu fwy". Ni fydd cadw ardaloedd mawr o weidir sydd wedi'i sefydlu'n ddiweddar yn debygol o arwain at fanteision sylweddol i fioamrywiaeth nac i ddal a storio nwyon tŷ gwydr, ond bydd yn lleihau gallu ffermwyr Cymru i fabwysiadu systemau amaethyddol mwy cynaliadwy. Fe all y rhain gynnwys plannu coed yn ogystal â throi at dir â'r garddwriaeth (a hynny'n aml yn rhan o gynlluniau amaeth-amgylchedd).

4.13. Ffordd fwy priodol o ddiffinio porfeydd parhaol fyddai canolbwyntio ar gadw'r gweirdiroedd hynny sydd wedi'u lled-wella ac sydd o'r gwerth mwyaf i fywyd gwyllt a/neu ddal a storio carbon. Serch hynny, byddai mapio pob ardal o'r fath, yn creu anawsterau mawr ar lefel yr UE gyfan. Dewis arall a haws o bosibl fyddai negodi newid i'r diffiniad presennol, efallai drwy seilio hyn ar reol deng mlynedd yn hytrach nag ar y 5 mlynedd a gynigir ar hyn o bryd. Fe allai diffiniad o'r fath ddal i gyfyngu'n sylweddol ar newid defnydd tir mewn ffordd fuddiol, ond byddai'n cynnig mwy o hyblygrwydd na'r cynnig presennol a byddai'n dal yn weddol hawdd ei roi ar waith.

4.14. Mae drafft presennol Erthygl 31 yn ei gwneud yn ofynnol i ffermwyr gadw 95% o'r ardal o weidir parhaol sydd ar bob fferm yn 2014. Gallai pennu dyddiad cyfeirio sydd mor bell i ffwrdd annog ffermwyr i aredig y gweidir sydd yno eisoes yn ystod y cyfnod 2011-2104. Ni fydd y rheol 95% yn gwneud dim ychwaith i warchod y porfeydd parhaol mwyaf gwerthfawr ar lawer o ffermydd.

4.15. I bob golwg yr Ardaloedd â Ffocws Ecolegol sy'n cynnig y potensial mwyaf ar gyfer enillion amgylcheddol<sup>20</sup>, er nad yw'n glir eto pa ofynion a fydd yn ymarferol yng nghydestun Cymru. Mae'r profiad diweddar a gafwyd gyda Glastir yn awgrymu y bydd angen i'r Ardaloedd â Ffocws Ecolegol fod mor syml ag sy'n bosibl. Efallai'n wir y gadewir i ffermwyr benderfynu ynglŷn â chynnwys eu Hardaloedd â Ffocws Ecolegol eu hunain ac nid yw'n debygol y cânt ryw lawer o gyngor ynglŷn â gofynion rheoli tir (ac eithrio drwy archwiliad Arolygiaeth Wledig Cymru neu drwy Gyswllt Ffermio).

4.16. Gallai'r diffiniad o borfeydd parhaol gael dylanwad mawr ar sut y rhoddir gofyniad 7% yr Ardaloedd â Ffocws Ecolegol ar waith. Mae hyn i bob golwg yn berthnasol i holl dir y tird daliad nad yw'n cael ei ddiffinio'n borfa barhaol. Awgrymwyd mai bwriad y Comisiwn yw i'r Ardaloedd â Ffocws Ecolegol fod yn berthnasol i dir â'r gweidir dros dro'n unig<sup>21</sup>, ond nid yw hyn yn glir yn y testun drafft presennol. Ar lawer o ffermydd yr ucheldir yng Nghymru, mae ardaloedd helaeth o dir pori bras nad ydynt yn debygol o gael eu hystyried yn borfeydd parhaol o dan ddiffiniad presennol Erthygl 4. Yn sgil hynny, fe allai ffermydd sydd ag ardaloedd mawr o rostir a gorgors wynebu gofyniad sylweddol o ran Ardal â Ffocws Ecolegol, a byddai'n rhaid darparu'r rhan fwyaf ohoni ar eu gweidir sydd wedi'i wrteithio neu ei ddraenio (byddai'n anodd datblygu mesurau Ardal â Ffocws Ecolegol ychwanegol ar rostir neu ar orgors heb i hynny orgyffwrdd â gofynion presennol elfen Cymru gyfan Glastir).

<sup>20</sup> Datganiad LUPG ar Neilltir. Medi 2007. Ar gael yn: <http://www.lupg.org.uk/Default.aspx?page=119>

<sup>21</sup> Sefydliad Polisi Amgylcheddol Ewrop - cyfathrebiad personol

4.17. O ran y nodweddion a allai fod yn gymwys o dan Ardal â Ffocws Ecolegol, nid yw'n glir a fydd unrhyw ofyniad penodol ynglŷn â lled yn berthnasol i nodweddion y dirwedd megis coetrychoedd a ffiniau traddodiadol eraill caeau. Rhestrir ystyriaethau eraill y mae gofyn ymchwilio rhagor iddynt yn Atodiad 1.

4.18. Gellid mynd ati mewn ffordd wahanol i'r hyn a gynigir drwy'r Ardaloedd â Ffocws Ecolegol/y mesurau gwyrddu gan sicrhau ei bod yn hawdd i ffermwyr ei dilyn yn ogystal ag i'r Adran Materion Gwledig ei monitro. Un ffordd bosibl o fynd o'i chwmpas hi fyddai cyfuno'r gofynion ar gyfer tir â'r gofynion ar gyfer Ardaloedd â Ffocws Ecolegol a chaniatáu unrhyw ddull rheoli tir sy'n gydnaws â Chyflwr Amaethyddol ac Amgylcheddol Da / Asesiad o'r Effaith Amgylcheddol / NATURA 2000 a dynodiadau cadwraeth cenedlaethol eraill, ond gwahardd defnyddio pob math o blaladdwr, gwrteithiau anorganig, tail fferm, biswail a deunyddiau eraill megis compost, llaid carthion, gwastraff papur ac isgynhyrchion anifeiliaid ac ati ar 7% o'r ardal nad yw'n borfa barhaol. Bydd gofyn gwneud rhagor o waith i weld beth fyddai goblygiadau mynd ati fel hyn, ond mae'n amlwg eisoes y bydd angen cadw llawer o fesurau posibl yr Ardaloedd â Ffocws Ecolegol ar waith yn yr un lle am gyfnod rhesymol. Er enghraifft, ni fyddai fawr o bwynt cyfyngu ar ddefnyddio gwrteithiau ar weidir am flwyddyn ac wedyn caniatáu gwrteithio'r tir hwnnw'r flwyddyn ganlynol. Yn y cyd-destun hwn, fodd bynnag, mae angen mwy o eglurhad ynglŷn â'r cyfeiriad ym mharagraff 26 o'r rhagair i'r Rheoliadau at arferion gwyrddu sy'n "syml, yn gyffredinol, yn ddigoncontract a chamau blynyddol sy'n mynd y tu hwnt i drawsgydymffurfio".

4.19. Mae angen archwilio hefyd y rhyngweithio rhwng mesurau gwyrddu Colofn 1 a chynlluniau amaeth-amgylchedd. Ar hyn o bryd cynigir eithrio ffermydd organig o'r gofynion gwyrddu (erthygl 29.4) ac er bod gofyn i ffermydd Natura 2000 gymryd rhan yn y gwyrddu, maent yn cael eu heithrio o'r gofynion lle mae'r rhain yn gwrthdaro â phwrpas dynodiad N2K (Erthygl 29.3). Er mwyn lleihau'r risg o effeithiau niweidiol, mae'n ymddangos bod dadl gref dros ddefnyddio mwy o fesurau amgylcheddol wedi'u targedu - gyda'r rhai sy'n cymryd rhan mewn cynlluniau amaeth-amgylchedd fferm-gyfan hefyd yn cael eu heithrio o'r gofynion gwyrddu. Byddai hyn yn golygu newid arall i'r Rheoliadau drafft. At hyn, mae'n debygol y byddai'r Comisiwn am gael tystiolaeth fesul achos bod y cynlluniau amaeth-amgylchedd perthnasol yn ddigon llym, neu fe ellid dadlau nad oedd mesurau gwyrddu Colofn 1 wedi cyflawni pwrpas y datganiad sef "mynd y tu hwnt i drawsgydymffurfio".<sup>22</sup>

4.20. Mae goblygiadau a darpar fuddion amgylcheddol gwyrddu'n debygol o amrywio yn ôl y math o fferm, ond i bob golwg, byddai buddion sylweddol yn fwy tebygol o ddod lle byddai ffermwyr wedi penderfynu peidio â gwneud cais am gynllun amaeth-amgylchedd ond eu bod yn dal i ddymuno hawlio taliadau uniongyrchol. Po leiaf yw'r gyllideb datblygu gwledig mewn Aelod-Wladwriaeth neu Ranbarth arbennig, mwyaf fydd gofyn dibynnu ar wyrddu Colofn 1 er mwyn cyflawni amcanion yr UE o ran bioamrywiaeth, dŵr a newid yn yr hinsawdd.

4.21. Ar hyn o bryd, cred y Cyngor Cefn Gwlad mai'r cwestiwn strategol pwysig yw a ddylid defnyddio gwyrddu Colofn 1 i gymell ffermwyr i ymuno â Glastir (a fyddai'n golygu bod angen diwygio'r Rheoliadau drafft presennol er mwyn sicrhau bod pawb sy'n cymryd rhan mewn cynlluniau amaeth-amgylchedd yn gallu cael eu heithrio o'r gofynion gwyrddu) ynteu a ddylid defnyddio gwyrddu i "godi'r bar" ar gyfer y rheini sy'n cymryd rhan mewn cynlluniau amaeth-amgylchedd - gan sicrhau bod modd defnyddio cronfeydd datblygu gwledig prin i brynu lefel uwch o fudd i'r amgylchedd.

<sup>22</sup> Paragraff 1, tudalen 8 o'r rhagair i'r Rheoliad Taliadau Uniongyrchol drafft

4.22. Er bod y Cyngor Cefn Gwlad yn sylweddoli ei bod yn ddymunol sicrhau cyn lleied o newidiadau â phosibl i Glastir, mae'r hyn a gynigir gan yr UE, sef y gofyniad y dylai mesurau gwyrdd Colofn 1 fynd "y tu hwnt i drawsgydymffurfio" yn golygu ei bod yn debygol y bydd angen addasiadau eraill i elfen Cymru gyfan. Er enghraifft, byddai addasu neu ddileu opsiynau 15B a 15D (porfeydd parhaol y bwydir hyd at 100kg o nitrogen iddynt y flwyddyn) yn ei gwneud hi'n fwy tebygol y bydd y Comisiwn yn cytuno â'r cynnig y dylai pawb sy'n cymryd rhan yng nghynllun Glastir gael ei eithrio rhag gofynion gwyrddu Colofn 1.

### Datblygu Gwledig

4.23. Mae'r pwyslais presennol yn y Rheoliad Datblygu Gwledig ar drosglwyddo gwybodaeth, cydweithredu ymhlith ffermwyr, buddsoddi ac arloesi yn un y gellid ei ddefnyddio i sicrhau cyfleoedd amgylcheddol, cymdeithasol ac economaidd sylweddol. Ar yr un pryd, mae diddymu strwythur yr Echelau ynghyd ag ychwanegu mesurau newydd megis rheoli risg yn debygol o arwain at lai o bwyslais ar amaeth-amgylchedd a newid yn yr hinsawdd mewn llawer o Aelod-Wladwriaethau. Yn benodol, mae'r Rheoliad Datblygu Gwledig presennol yn mynnu bod o leiaf 25% o'r gwario ym mhob cynllun datblygu gwledig yn cael ei neilltuo i fesurau rheoli tir o dan 'Echel 2'. Nid yw'r gofyniad hwn yn ymddangos ym mhrif gorff y Rheoliad Datblygu Gwledig newydd drafft, er wrth gyfeirio at y mesur amaeth-amgylchedd-hinsawdd, mae paragraff 28 y rhagair yn dweud: *"Dylai Aelod-Wladwriaethau gynnal lefel yr ymdrech a gafwyd yn ystod cyfnod rhaglennu 2007-2013 a gwario o leiaf 25% o gyfanswm cyfraniad Cronfa Amaethyddol Ewrop ar gyfer Datblygu Gwledig ar bob rhaglen datblygu gwledig .... drwy'r amgylchedd amaeth-amgylchedd, ffermio organig a thaliadau i ardaloedd sy'n wynebu mesurau cyfyngiadau naturiol"*.

4.24. Cynllun Datblygu Gwledig Cymru yw sail y rhan fwyaf o'r cymorth cyhoeddus a roddir i goedwigaeth yng Nghymru. Mae coedwigaeth yn elfen hanfodol o ddatblygu gwledig ac mae'r Rheoliad Datblygu Gwledig yn dal i ddarparu cymorth ar gyfer defnydd tir sy'n cwmpasu cynyddu ardaloedd o goetir a hefyd reoli fforestydd sydd gennym eisoes mewn ffordd gynaliadwy. Bwriedir i'r mesurau wireddu ystod o flaenoriaethau'r UE ac maent yn cynnwys coedwigaeth a chreu coetiroedd newydd; sefydlu systemau amaeth-goedwigaeth; atal difrod i fforestydd a'u hadfer ar ôl tanau a thrychinebau naturiol; buddsoddi sy'n gymorth i wrthsefyll bygythiad newid yn yr hinsawdd a gwella gwerth amgylcheddol; buddsoddi mewn technolegau coedwigo newydd a phrosesu a marchnata cynhyrchion y goedwig. Bydd y mesurau hyn i gyd o gymorth wrth roi Strategaeth Coedwigaeth yr UE ar waith.

4.25. Hyd yn hyn, nid yw Cymru wedi defnyddio'r mesur sy'n ymwneud â sefydlu systemau amaeth-goedwigaeth. Serch hynny, gellid cynnwys hwn yng Nghynllun Datblygu Gwledig nesaf Cymru yn gefn i amcanion ymateb i newid yn yr hinsawdd a storio carbon, ynghyd ag i sawl budd arall. Yr awgrym yw bod plannu coed ar ffermydd, gan gynnwys coed ychwanegol mewn coetrychoedd, yn cael ei ystyried o dan y mesur hwn. Yn y cyfamser, mae'r holl grantiau coedwigaeth, sy'n seiliedig ar arian Cynllun Datblygu Gwledig Cymru, wrthi'n cael eu trosglwyddo i Glastir.

4.26. Nid yw lleihau'r gyfradd modiwlleiddio uchaf i 10%<sup>23</sup> i bob golwg yn debygol o greu problemau sylweddol yng Nghymru, er y gall rhai gweinyddiaethau straffaglu i wneud iawn am yr adnoddau a gollir oni chaiff dyraniad y Deyrnas Unedig yn y dyfodol o dan Golofn 2 ei

<sup>23</sup> Uchafswm y gyfradd modiwlleiddio gwirfoddol ar hyn o bryd (sydd ar waith yn y Deyrnas Unedig) yw 20%.

gynyddu. Fe allai'r posibilrwydd o fodiwleiddio o chwith (trosglwyddo hyd at 5% o Golofn 2 i Golofn 1) greu problem gystadleuaeth ar lefel Ewrop i rai Aelod-Wladwriaethau, gan gynnwys i'r Deyrnas Unedig.

4.27. Fel yr eglurir yng nghyllideb ddrafft yr UE, bydd cyllideb Colofn 2 yn gostwng mewn termau real yn ystod y cyfnod 2014-20. Caiff dyraniadau'r cronfeydd datblygu gwledig i Aelod-Wladwriaethau unigol eu pennu yn ystod 2012 ac fe'u seilir ar "feini prawf gwrthrychol a pherfformiad yn y gorffennol". Os digwydd i ddyraniad Cymru ostwng o dan Golofn 2, cred y Cyngor Cefn Gwlad y bydd angen i Lywodraeth Cymru ddefnyddio'r hyblygrwydd sydd ar gael o dan Erthygl 14 o'r Rheoliad Taliadau Uniongyrchol i ategu'r arian sydd ar gael yng Nghynllun Datblygu Gwledig Cymru. Gellir defnyddio cronfeydd o'r fath i sbarduno polisi amaethyddol sy'n seiliedig ar arloesi, buddsoddi, cydweithredu a throsglwyddo gwybodaeth yn ogystal ag yn sail ar gyfer cynyddu'r nifer sy'n rhan o Glastir (gellid cymell hyn drwy sicrhau bod pawb sy'n ymwneud â chynlluniau amaeth-amgylchedd fferm-gyfan addas yn cael eu heithrio o fesurau gwyrddu Colofn 1).

4.28. Mae'r gofynion yn y Rheoliad Rheolau Cyffredin ar gyfer "Contractau Partneriaeth" (a bwriad y rhain yw sicrhau bod holl lifau ariannu'r UE yn cael eu hintegreiddio o fewn Aelod-Wladwriaeth) yn cynnig y posibilrwydd o wella ansawdd y cynllunio, ond oherwydd y bydd angen cytuno ar gontractau o'r fath ar lefel y Deyrnas Unedig cyn cychwyn paratoi Cynllun Datblygu Gwledig nesaf Cymru, fe allai hynny arwain at oedi. Ni fydd Cynllun Datblygu Gwledig newydd Cymru bellach yn cael ei gyfyngu gan strwythur yr echelau, ond bydd angen dangos dulliau llawer mwy integredig lle bydd "*cyfuniadau perthnasol o fesurau [a thargedau] yn cael eu cynnwys mewn perthynas â blaenoriaethau'r Undeb yn y rhaglen ar gyfer datblygu gwledig*" (Erthygl 9.1c) ac fe allai hyn achosi mathau newydd o anawsterau wrth geisio cymeradwyaeth y Comisiwn.

#### Materion llorweddol

4.29. O Safbwynt amgylcheddol, mae'r mesurau trawsgydymffurfio newydd, ehangu'r gwasanaeth cynghori ffermwyr a'r gofyniad i fonitro holl fesurau'r PAC (yn hytrach na dim ond y rheini o dan Golofn 2) i'w croesawu, ond canlyniad anochel hynny yw y bydd adnoddau Llywodraeth Cymru (yn ariannol ac yn weinyddol) yn cael eu taenu'n deneuach. O ran trawsgydymffurfio, mae hyn yn awgrymu y dylai'r pwyslais rheoleiddio symud at y ffermydd hynny sydd i bob golwg yn peri'r risgiau mwyaf o beidio â chydymffurfio - cyn belled â bod mynd ati yn y modd hwnnw'n gyson â gofynion Archwilio'r UE.

### **5. Beth ddylai blaenoriaethau Llywodraeth Cymru fod wrth iddi negodi er mwyn sicrhau canlyniad sydd o fudd i Gymru?**

5.1. Cred y Cyngor Cefn Gwlad y dylai Llywodraeth Cymru flaenoriaethu'r materion a ganlyn o ran effeithiau posibl cynigion y Comisiwn ar yr amgylchedd.

- Natur mesurau gwyrddu Colofn 1, yn enwedig geiriad manwl Erthyglau 4, 29, 30, 31 a 32;
- Bod angen cyllideb ddigonol ar gyfer Colofn 2 ar lefel yr UE yn ogystal â dyraniad Colofn 2 boddhaol ar gyfer y Deyrnas Unedig ac ar gyfer Cymru;
- Mae angen i bob Aelod-Wladwriaeth/Rhanbarth gynnal lefelau presennol eu hymrwymadau o ran amaeth-amgylchedd a'r hinsawdd, yn ogystal â sicrhau bod pob



Cynllun Datblygu Gwledig yn dyrannu o leiaf 25% o gyfraniad Cronfa Amaethyddiaeth Ewrop ar gyfer Datblygu Gwledig er mwyn cyflawni mesurau rheoli tir.

- Cael eglurhad y gellir darparu'r taliadau cymorth sylfaenol newydd (sydd i'w talu ar raddfa unffurf yr ha) ar sail isranbarthol yn ogystal â modelu effeithiau ystod o senarios eraill;
- Cael eglurhad ynglŷn â natur y cyfnod pontio a ddefnyddir wrth symud oddi wrth daliadau hanesyddol ac at daliadau ardal;
- Archwilio effaith gostyngiadau graddedig/capio taliadau uniongyrchol yng nghyswllt y ffermydd hynny sydd ar hyn o bryd yn cyflenwi buddion cyhoeddus amgylcheddol sylweddol;
- Natur y cynllun ffermwyr bychain ac a oes angen i hyn fod yn orfodol ym mhob Aelod-Wladwriaeth/Rhanbarth yn ogystal â darparu eithriadau ar gyfer mesur gwyrddu Colofn 1 a thrawsgydymffurfio;

## **6. Sut y gall Cymru sicrhau bod ei barn yn cael ei hystyried yn y broses negodi?**

6.1. Mae amserlen rownd bresennol diwygio'r PAC wedi llithro eisoes, ond ar ôl dadl gychwynnol y Cyngor Amaethyddiaeth ar 20 a 21 Hydref, disgwylir i weddill y broses ddilyn fel a ganlyn<sup>24</sup>:

- 14 a 15 Tachwedd 2011- dadl y Cyngor Amaethyddol am Daliadau Uniongyrchol;
- 15 a 16 Rhagfyr 2011- dadl y Cyngor Amaethyddiaeth am Ddatblygu Gwledig;
- Gwanwyn/Haf 2012 - Proses gydbenderfynu'n cynnwys Senedd Ewrop, y Comisiwn a'r Cyngor Amaethyddiaeth fel sy'n ofynnol o dan Gytuniad Lisbon. Bydd Senedd Ewrop yn cyfeirio'n ôl at ei hadroddiadau ei hun ar ddiwygio'r PAC<sup>25</sup>;
- Gwanwyn/Haf 2012 - Rhoi deddfwriaeth/Deddfau Dirprwyedig y Comisiwn ar waith gan eu datblygu ochr yn ochr â'r ddadl fydd yn mynd rhagddi ynglŷn â geiriad y Rheoliadau newydd;
- Ddiwedd 2012/2013 - penderfyniad terfynol ynglŷn â chyllideb yr UE.

6.2. Bydd gan destun terfynol cyllideb yr UE oblygiadau ar gyfer pob Cynllun Datblygu Gwledig newydd, yn enwedig os caiff y gyllideb ddrafft bresennol ei thocio gan Benaethiaid Llywodraethau. Byddai gostyngiad o'r fath bron yn sicrhau o effeithio ar gyllideb y PAC ac ar ariannu Colofn 2 - gan olygu y byddai llawer o Aelod-Wladwriaethau'n gorfod dibynnu ar gyfuniad o'u hadnoddau eu hunain a gwyrddu Colofn 2 i sicrhau bod buddion a gwasanaethau ecosystemau'n cael eu rheoli fel sy'n angenrheidiol.

6.3. Mae hyn yn awgrymu bod angen i Lywodraeth Cymru fabwysiadu dull deublyg:

- dadlau o blaid Colofn 2 sydd wedi'i hariannu'n briodol ar lefel yr UE yn ogystal ag o blaid dyraniad i Gymru sy'n gallu gwreiddu'r targedau amgylcheddol presennol<sup>26</sup>

<sup>24</sup> Sefydliad Polisi Amgylcheddol Ewrop - cyfathrebiad personol

<sup>25</sup> "The CAP towards 2020: meeting the food, natural resources and territorial challenges of the future". Pwyllgor Amaethyddiaeth a Datblygu Senedd Ewrop. Rapporteur, Albert Dess. Ar gael yn: [http://www.europarl.europa.eu/meetdocs/2009\\_2014/documents/agri/pr/857/857600/857600en.pdf](http://www.europarl.europa.eu/meetdocs/2009_2014/documents/agri/pr/857/857600/857600en.pdf)

- sicrhau bod gwyrddu Colofn 1 yn darparu rhwyd diogelu amgylcheddol os digwydd i setliadau cyllideb Ewrop/cenedlaethol arwain at danariannu Cynllun Datblygu Gwledig Cymru.

6.4. Bydd sicrhau bod Cymru yn gallu cyfrannu at lunio deddfau dirprwyedig y Comisiwn a'r rheoliadau gweithredu yr un mor bwysig â chyfrannu at y negodi ynglŷn â'r rheoliadau drafft presennol. Bydd modelu effaith y gwahanol senarios yn hollbwysig er mwyn sicrhau bod safle negodi Cymru'n ddigon cadarn.

## **7. Cynigion y Cyngor Cefn Gwlad ar gyfer gwelliannau penodol i gynigion drafft y Comisiwn**

7.1. Wrth awgrymu gwelliannau a allai ddileu'r effeithiau niweidiol sy'n debygol o godi yn sgil y Rheoliadau drafft fel y maent wedi'u geirio ar hyn o bryd, mae'n hanfodol osgoi creu effeithiau niweidiol newydd a'r rheini'n rhai nad ydym wedi'u rhagweld hyd yn hyn. A dibynnu ar y gwaith sy'n mynd rhagddo ar oblygiadau mesurau gwyrddu C1, mae'r Cyngor Cefn Gwlad yn dymuno cyflwyno'r awgrymiadau a ganlyn ynglŷn â'r Rheoliad Taliadau Uniongyrchol:

- Gyda golwg ar Erthygl 29.3 (eithriadau o'r mesurau gwyrddu fel y maent yn berthnasol i dir a ddynodir yn safleoedd Natura 2000) dylid sefydli eithriad cyfochrog hefyd yng nghyswllt yr holl ddynodiadau cadwraeth statudol cenedlaethol;
- Gyda golwg ar Erthygl 29.4 (eithriadau o'r mesurau gwyrddu fel y maent yn berthnasol i ffermio organig) dylid sefydlu eithriad cyfochrog hefyd yng nghyswllt *"pawb sy'n ymwneud â chynlluniau amaeth-amgylchedd fferm-gyfan y mae Comisiwn Ewrop yn ardystio'u bod yn ddigon cadarn"*. Gellid cyflwyno manylion pob cynllun (gan ddangos sut maent yn sicrhau bod y rhai sy'n ymwneud â hwy'n cyflawni'r gofynion sylfaenol fan leiaf o dan y mesurau gwyrddu) ar sail rhaglen fesul achos i'r Comisiwn gytuno arnynt.
- Gyda golwg ar y mesur arallgyfeirio o ran cnydau (Erthygl 30), dylid codi'r trothwy o 3ha i 10 ha. Dylid ystyried eto hefyd a ddylid rhoi trothwy ar waith sy'n seiliedig ar % y fferm sy'n cael ei haredig ar batrwm cylchdro);
- Gyda golwg ar y mesur porfeydd parhaol (Erthygl 31) dylid seilio'r ardal gyfeirio ar *"y sefyllfa ar 12 Hydref 2011"* yn hytrach nag ar ddechrau blwyddyn hawlio 2014
- Gyda golwg ar y diffiniad o borfeydd parhaol sydd yn Erthygl 4, dylid seilio hwn ar ddiogelu'r gweirdiroedd hynny sydd fwyaf gwerthfawr o ran bioamrywiaeth ac o ran dal a storio carbon. Os nad oes digon o ddata ar gael ar lefel yr UE, gallai Llywodraeth Cymru ddisgyn yn ôl ar y ddadl y dylid cyfyngu'r diffiniad i *"dir nad yw wedi'i gynnwys yng nghylchdro cnydau'r tirddaliad ers deng mlynedd"*;
- Gyda golwg ar Erthygl 32.1, dylid diwygio'r geiriad i gynnwys y testun a ganlyn mewn bachau sgwâr: *"Rhaid i ffermwyr sicrhau bod o leiaf 7% o'u hectarau cymwys fel y'u"*

<sup>26</sup> Targedau SoDdGa Strategaeth amgylcheddol Cymru; gostyngiad o 3% y flwyddyn mewn gollyngiadau nwyon tŷ gwydr yn y meysydd cymhwysedd sydd wedi'u datganoli; dyddiadau terfyn y Gyfarwydddeb Fframwaith Dŵr

*diffinnir yn Erthygl 25(2), ac eithrio ardaloedd o dan weirdir parhaol (ac ardaloedd eraill o natur barhaol y gellid eu pori] yn ardal â ffocws ecolegol megis ..... ac ati". Fel arall, gellid defnyddio geiriad newydd i'w gwneud yn glir nad yw darpariaethau Ardal â Ffocws Ecolegol ond yn berthnasol i dir â'r math o ffermio a wneir ynddynt.*

- Gyda golwg ar roi'r cynllun taliadau sylfaenol ar waith, bydd angen egluro'r cyfeiriad yn Erthygl 20 (1) at y diffiniad o "ranbarthau". Yn benodol, mae angen i Lywodraeth Cymru allu sefydlu ystod o isranbarthau er mwyn gallu amrywio taliadau sylfaenol o'u mewn a dibynnu ar natur y tir a'r math o ffermio a wneir ynddynt;
- Dylid diwygio'r darpariaethau sy'n berthnasol i'r Cynllun Ffermwyr Bychain (Erthyglau 47- 50) er mwyn sicrhau bod modd rhoi hwn ar waith yn ôl doethineb Aelod-Wladwriaethau / Rhanbarthau yn hytrach na'i fod yn orfodol;
- Os penderfynir bod y Cynllun Ffermwyr Bychain yn orfodol, dylid caniatáu i Aelod-Wladwriaethau/Rhanbarthau ddiffinio'r meini prawf ar gyfer ymuno ag ef er mwyn sicrhau eu bod yn berthnasol i'r diriogaeth dan sylw;
- Dylid diwygio Erthygl 47 er mwyn sicrhau bod y gofynion trawsgydymffurfio'n dal yn berthnasol i bawb sy'n ymwneud â'r Cynllun Ffermwyr Bychain gan roi'r mesurau gwyrddu ar waith ym mhob fferm sy'n fwy na throthwy maint penodol;

7.2. Gyda golwg ar baragraff 28 y rhagair i'r Rheoliad Datblygu Gwledig drafft, (*sy'n cadarnhau y dylai Aelod-Wladwriaethau/Rhanbarthau gynnal lefelau presennol ymrwymadau amaeth-amgylcheddol a hinsawdd presennol yn ogystal â sicrhau bod pob Cynllun Datblygu Gwledig yn dyrannu o leiaf 25% o gyfraniad Cronfa Amaethyddol Ewrop ar gyfer Datblygu Gwledig er mwyn gwireddu mesurau rheoli tir*) dylid cynnwys ymrwymiad cyfochrog yn Erthygl 65 yr un Rheoliad.

## ATODIAD 1

### **Ambell ystyriaeth benodol ynglŷn â'r Ardaloedd â Ffocws Ecolegol**

- A fyddai'n rhaid ffensio lleiniau clustogi?
  - A fyddai lleiniau clustogi'n golygu bod rhaid i ffermwyr osgoi defnyddio tail buarth a phlaladdwyr yn ogystal ag NPK?
  - A allai cnydau â'r llai dwys megis yd heb ei chwistrellu a sofl wedi'u gaeafu fod yn gymwys fel rhan o Ardal â Ffocws Ecolegol ynghyd â gwyndwn?
  - A allai cnydau ar gyfer helwriaeth fod yn gymwys fel rhan o Ardal â Ffocws Ecolegol ynghyd â gwyndwn?
  - Os rheolir canran o'r fferm drwy ddulliau organig, a allai hyn gyfrif tuag at ofyniad yr Ardal â Ffocws Ecolegol ynteu a yw hynny'n golygu bod y fferm gyfan/rhan o'r fferm yn cael ei heithrio o dan Erthygl 29(4)?
  - A allai rheoli coetrychoedd yn syml ac yn well (opsiynau Glastir 4, 4B a 5) gyfrif at ofyniad yr Ardal â Ffocws Ecolegol (os felly, mae'n debyg y dylid rhoi mwy o bwysoliad i ardal o'r fath lle ceir coetrychoedd nag i goetrychoedd nad oes gofyniad fel hyn ynghlwm wrthynt?).
  - Sut y diffinnir "nodweddion y dirwedd" ac a allai hyn ymestyn i gynnwys llain 5m o led sy'n pontio hawl dramwy gyhoeddus (cf gofyniad trawsgydymffurfio Lloegr).
  - A allai cydymffurfio â chynlluniau rheoli adnoddau neu fesurau dad-ddwysâu yng nghyswllt gwlyptiroedd fod yn gymwys fel rhan o Ardal â Ffocws Ecolegol?
-



## Views on the Common Agricultural Policy Proposals for 2014-2020

Ymddiriedolaeth Genedlaethol  
National Trust - Cymru

November 2011

As an organisation with a direct interest in 200,000 ha of farmland across Wales<sup>1</sup>, England and Northern Ireland, the National Trust is concerned that the CAP proposals could fail to balance food security with environmental security, and risk jeopardising funding that directly supports the conservation of wildlife, natural resources and cultural heritage across the farmed landscape.

The proposal clearly states that: *“the future CAP will be [...] a policy of strategic importance for food security, the environment and territorial balance ... Therein lies the EU added value of a truly common policy that makes the most efficient use of limited budgetary resources in maintaining sustainable agriculture throughout the EU, addressing important cross-border issues such as climate change and reinforcing solidarity among Member States, while also allowing flexibility in implementation to cater for local needs”* (Explanatory Memorandum, p.3, Direct Payments Regulation).

The Trust welcomes this statement of intent, but the proposals, as written, appear to significantly over-estimate their ability in making this a reality. We welcome the European Commission's ambition to 'green' the CAP but believe the proposals fall short of achieving this aim, not least because they are not significantly forward thinking, fail to recognise the need to better integrate the environmental objectives of both Pillars 1 and 2 and do not go far enough to make the first Pillar deliver for the wider public good. We were hoping to see proposals that delivered much more for natural resources underpinning the farmed environment, preparing us for an uncertain future of climate and food insecurity.

Our initial views on the proposals can be summarised as follows:

- **Greening measures:** Whilst the principle is broadly welcomed, the proposed package of measures to legitimize direct payments is unlikely to achieve significant environmental benefits and could, in their present form, undermine more advanced, multi-annual farm conservation efforts under rural development programmes. Both Pillars 1 and 2 need to be much more complementary in their design if future public support is to be maintained. Efforts to 'green' farmers direct payments must therefore deliver or 'buy' genuine outcomes for the environment and not undermine 'added-value' agri-environment schemes that encourage farmers to manage their land in environmentally beneficial ways. We therefore believe that the greening measures as proposed need to be revised but the overall approach should evolve into a more sophisticated system in due course. On this basis, it should be a requirement that all farms meet the provisions of these measures from the outset, including organic agriculture and small holdings, to avoid being disadvantaged by any future system.
- **Active farmer:** We support proposals to ensure that direct payments are targeted at businesses genuinely involved in farming activity, however the proposals as written will have serious unintended consequences and capture charities and other organisations like the National Trust who have at the heart of their constitutional purpose the conservation of wildlife

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<sup>1</sup> Trust owns 50,000 hectares of land in Wales and one fifth of the coastline (140km) which we manage for the benefit of the nation. The majority of this land is farmed, either by the Trust or by one of our 200+ tenants

and the protection of the countryside for the wider public good. We realise it is not the intention of the proposals to penalise such types of organisations and hope this can be resolved. More fundamentally, the proposal to re-define eligible applicants through a new clause requiring a minimum of 5% direct payment income of the total receipts obtained from all non-agricultural activities will lead to significant bureaucracy involving submission of trading accounts for every applicant with diversified businesses claiming over €5,000.

- **Capping:** We recognise that this measure has been designed to ensure any income support to an individual farming business is not excessive. However, the way in which the proposals have been written will have unintended consequences for organisations like the National Trust which has over 350 subsidiary agricultural sites covering some 20,000 hectares but which under EU law is recognised as a single claimant. We will be discussing this with the European Commission to resolve the unintended consequences of this proposal.

Specific recommendations based on the current proposals include:

*Permanent grassland* – We have a number of concerns around this measure. Firstly, the baseline year should be set based on current or previous agricultural land use designations to discourage pre-emptive cultivation. Secondly, there is no distinction between permanent pasture of high environmental value and improved grassland that has been established for over 5 years. If 5% of a farm's permanent pasture is to be allowed to be cultivated annually, a measure is required to identify and protect high nature value grassland for example by strengthening current environmental impact assessment legislation. Thirdly, consideration should be given to a derogation permitting cultivation of improved permanent grassland of low nature conservation value to re-establish rotational farming systems that deliver a net environmental gain; this could be achieved by satisfying an environmental impact assessment or via an appropriate agri-environment scheme.

*Ecological focus areas* – On the issues of additionality and overlap with Good Agricultural and Environmental Condition (GAEC) Standards and Glastir, it is not clear how such a measure will impact on future cross compliance requirements and Glastir commitments that run into the next programming period and the design and uptake of the All-Wales Element. Further clarity is required here.

*Crop diversification* – We foresee difficulties with demanding mixed cropping on very small areas and would recommend raising the minimum area from 3.0 ha to a more practical threshold, for example 50ha. In marginal areas of Wales with mixed farming systems, farms with say 4ha of spring oats or barley will be discouraged to sow home grown crops by this measure, an unintentional result with implications of flora and birdlife.

- **Flexibility between pillars:** There should be no flexibility to move funds from Pillar 2 to Pillar 1 and the ability to shift up to 10% of Pillar 1 to Pillar 2 should not only be retained but increased significantly to compensate for a reduced rural development budget and increased competition for resources that would otherwise compromise the objectives and existing commitments of Glastir and other schemes across Wales, the UK and Europe.
- **Less Favoured Area:** Upland farms, of all sizes, can deliver a range of environmental goods such as storage of carbon within soils, clean drinking water, an ability to help control flooding, access for recreation, conservation of important habitats and wildlife, and some of our finest landscapes. Future investment in the LFA – as with all CAP payments - should be based on the premise of rewarding positive management. Remuneration packages will need to be well thought through (including both area and capital incentives) to be successful in delivering the types of management required. The Trust believes future support should be clearly linked to the delivery of public benefits, with payments rewarding the uplands for the vital services they provide for society, rather than compensating them for agricultural production to which they are not well suited.

- **Simplification of cross compliance:** New measures to encourage soil organic matter and protect wetlands and carbon rich grasslands are to be welcomed, but moves to simplify standards and requirements should be exercised in a way that does not weaken the baseline for good agricultural and environmental practice. It is essential that we retain a robust environmental baseline that farmers have to meet in order to receive their farm payments. It should therefore not be the case that small farmers or any other group face less stringent requirements.
- **Rural development:** We are broadly happy with the proposals for Pillar 2, not least the intention to retain a minimum spend for agri-environment schemes and that the role of such schemes has been duly recognised by way of two of the six policy priorities. We are also supportive of the principle to introduce greater flexibility, joint contracts and increased training and information for farmers in relation to such schemes. The Trust believes that rural development programmes will be fundamental in achieving the sustainable management of natural resources and supporting the shift towards a low carbon economy, two key policy priorities of the reform proposals.
- **Funding:** The overall EU budget for Pillar 2 rural development should be protected from cuts and a fair deal secured for the UK, especially a good Pillar 2 allocation based on an objective assessment of need and current spending commitment. The EU should recognise and reward the progressive nature of sustainable farming and land management in countries such as the UK, where up to 80% of our Pillar 2 allocation is currently spent on agri-environment schemes.

Notes:

The National Trust was founded in 1895 to care for places of historic interest or natural beauty. In Wales it cares for over 50,000 hectares of countryside, 196 miles of coastline as well as some of the finest castles and gardens. The Trust is the largest conservation organisation in Europe, supported by 4 million members, over 100,000 of whom live in Wales. As a charity it relies on membership subscriptions, gifts and other voluntary support to meet its £148 m annual conservation and maintenance costs. The Trust's properties have unique legal protection "inalienability" – they cannot ever be sold or mortgaged without permission of Parliament



*The European Commission's proposals for reform of the Common Agricultural Policy:*

*Response from the Royal Society for the Protection of Birds Cymru  
November 2011*

**Introduction**

The RSPB is Europe's largest wildlife charity with over one million members, over 50,000 of them living in Wales. The Society manages one of the largest conservation estates in the UK, covering more than 100,000 hectares; 19,000 of these in Wales. We protect and enhance habitats such as upland and lowland farmland, heather moorland, coastal heath, wet grassland, estuaries and reed beds, and our reserves help to protect many rare and threatened birds.

The RSPB is the UK partner of BirdLife International, which is a global Partnership of non-governmental conservation organisations. BirdLife International strives to conserve birds, habitats and global biodiversity, working with people towards sustainability in the use of natural resources. The RSPB works closely with our BirdLife partners on EU agriculture policy issues.

The RSPB's vision is for sustainable systems of farming that produce adequate supplies of safe, healthy food; protect the natural resources of soil, air and water that farming depends on; help to protect and enhance wildlife and habitats; provide jobs in rural areas and contribute to a diverse rural economy.

RSPB Cymru welcomes the opportunity to comment on the CAP reform proposals released by the European Commission in October 2011

**Background**

As a result of unsustainable land management driven by poorly conceived and outdated policies the Welsh environment is under significant pressure. This is evidenced by ongoing biodiversity declines, soil degradation and poor water quality. Diversity and populations of farmland and woodland birds have declined markedly since records began in 1994 and 67% of Welsh water bodies are failing required standards, with agricultural pollution a significant contributor. Wales is not alone in experiencing widespread environmental degradation and as a result the European Commission has established a number of environmental objectives, including halting biodiversity decline, improving water quality and reducing Green House Gas emissions by 2020. We will not be able to achieve this, or meet the ambitions set out in the Commission's 'Europe 2020' strategy for smart, sustainable and inclusive growth, without the help of the CAP.



**By promoting thriving wildlife, clean water supplies and healthy, productive soils the CAP could be instrumental in helping farmers to tackle these problems for the benefit of all of society.** However, the policy is falling well short of its potential with the vast majority of funds channelled through direct payments with no clear objective. Given extensive environmental failings the argument that cross compliance is an effective means of safeguarding environmental security is clearly over stated. Each member of Welsh society pays an average of £100 a year to finance the CAP. Being public money this investment should deliver clear public benefits, but this is not currently the case.

In Wales it is generally the less intensive farms, normally found within areas of natural constraints that deliver the highest levels of environmental benefit. However, because direct payments are linked to historically high levels of production these farms tend to receive lower levels of CAP support. Agri-environment payments only partially compensate for this bias, not least because agri-environment spending represents just 8% of the CAP budget. This imbalance must be addressed in order to ensure that those farmers delivering society's environmental needs are fully rewarded.

The argument that a move towards a policy that rewards sustainable land management will compromise our ability to produce food and that, with a growing global population food security should remain central to the CAP is poorly made. Rather than volume global food security is an issue of income and wealth inequality, both within and between countries, and of food distribution and access. The duty of Welsh farming should not be to maximise food output, but to produce quality products within environmentally sustainable limits. By rewarding farmers for protecting and enhancing the natural resource base, a reformed CAP can help secure our long-term ability to produce food. The market should be viewed as the means by which farmers receive payment for food production.

The Welsh Government has recently commenced work towards developing a New Environmental Framework (NEF) with the aim "to ensure Wales has increasingly resilient and diverse ecosystems managed to optimise economic, environmental and social benefits". If Wales is to achieve this ambition the Welsh Government's must seek a reformed CAP that will deliver true environmental security, including halting biodiversity decline. The following comment on the EU proposals is presented within this context, and also the understanding that Welsh Government has an obligation to address environmental degradation and that Welsh society has a legitimate expectation that public money should be used to reward farmers for the provision of public environmental goods and services.

Wales must work closely with the other devolved countries within the UK in order to present a strong, unified position on CAP. However, in order to benefit our particular environment direct involvement with the European Commission will almost certainly be required if we are to gain maximum flexibility when implementation reform. It is also vitally important that when engaging stakeholders this process includes all potential beneficiaries of CAP reform and not just the sectors set to gain direct financial benefit.

## **PILLAR 1**

### **Capping of large payments**

The proposal that any capped money should be transferred into the Pillar II budget of the Member State where it was generated is welcomed provided that this money is used to contribute to environmental enhancement, including halting biodiversity declines. However, we believe that capping of payments as presented will be bureaucratic and unworkable as many recipients would simply split their holdings to

avoid the effects. The fact that the *greening* payment is exempt capping is positive as it reflects the Commission's acceptance that payments linked to environmental delivery should not be restricted.

#### **Targeting of payments to active farmers**

The current definition of active farmer is designed to ensure that only those land managers actively engaged in a defined minimum level of agricultural activity receive support. It is important that the final definition does not have an adverse effect on those farmers who have diversified, possibly supported by Rural Development funding or who manage their holdings extensively where environmental benefit may be the prime outcome.

#### **Distribution of direct payments between farmers**

Payments based on historically high levels of production can not be justified in terms of public expenditure and provide little incentive for the development of a competitive industry. As such RSPB Cymru strongly supports a move to a uniform flat rate payment. This approach, in general will move support from more productive regions and sectors, i.e. those best placed to respond to and operate in a competitive market, to farming systems found within areas of natural constraints. This has the potential to generate much needed support for extensive farming systems, which if properly targeted could secure and enhance delivery of a wide range of public environmental goods and services. It is important that this shift of support is achieved over a period of time that adequately enables those sectors affected to respond.

However, this benefit would be negated if a regionalised approach, based on economic and agronomic criteria, was taken designed to create administrative regions where previously they did not exist designed to ensure that the more productive areas continue to receive higher flat rate payments. This approach should be resisted as it will simply lead to *business as usual* with no net environmental gain and the perpetuation of a support reliant industry with little incentive to respond to the market.

#### **Support for young farmers (compulsory)**

While RSPB Cymru is supportive of actions designed to encourage young farmers into the industry the environmental credentials of this payment are limited. As a minimum it should be conditional on respect of both [meaningful] greening and cross compliance requirements. As this payment will be targeted at both initial business set up and structural adjustment of holdings there is a risk that it may lead to further intensification of farming practice and increased environmental pressure. As additional business start up aid for young farmers is also available under Pillar 2, there is the question of double funding that needs resolving.

#### **Support for small farmers (compulsory)**

The definition provided by the Commission suggesting that any farmer, regardless of size could enter the scheme and for a reduced payment be exempt from greening requirements and cross compliance is very worrying. This has the potential to encompass a significant amount of Welsh agricultural land and have considerable negative consequences for environmental quality and animal welfare. In the absence of [any] environmental credentials RSPB Cymru strongly urges the Welsh Government not to endorse this proposal.

#### **Coupled support (voluntary)**

Although coupled support is a retrograde step, and despite the fact that the proposal is suggesting even more crops/sectors can be supported if suitably utilised such a *tool* could be a useful means of support

extensive farming systems to deliver environmental gains. However, the danger exists that it will be used to make up lost income in productive sectors affected by the move to area based payments. As there is no possible justification for using public money in this way this approach should not be considered.

### **Cross compliance**

The Commission's proposal for a new framework for cross compliance arranged into thematic areas may be a positive development if it makes Cross Compliance easier to understand and communicate. The inclusion of *possible measures for avoiding invasive species and pests* is a positive step forward but should be mandatory given the negative environmental and economic impacts of invasive alien species e.g. rhododendron, himalayan balsam.

The exemption from cross compliance to those participating in the small farmer scheme is of significant concern. Also of concern is the loss of elements from the Birds and Habitats Directives and whilst farmers will still have to legally respect them the financial incentive to do so that CAP provided will be gone. However, inclusion of requirements relating to the Water Framework Directive and Sustainable Use of Pesticides Directive are welcomed.

The removal of protection for grasslands (as this will be covered by the greening payment) is potentially very worrying as farmers may be able to opt out of the greening element of CAP payments if the requirements are too onerous.

### **Modulation**

Given the UK's historically poor Pillar 2 allocation the ability to make up to 10% of Pillar 1 payments available as additional support for measures under the Rural Development Programme is extremely positive and RSPB Cymru strongly urges the Welsh Government to adopt this action. In the past agri-environment delivery has been dependant on modulation and has helped support thousands of farmers in Wales to farm their land in ways that benefit wildlife and the wider environment. The option to reverse modulate represents a huge backwards step and would make it impossible for Wales to fulfil its environmental obligations. As such the option to move support from Pillar 2 to Pillar 1 should not be considered.

### **Greening of Pillar 1 CAP proposals**

While the proposal that 30% of the Pillar 1 budget will be used as a *payment for agricultural practises beneficial for the climate and the environment* sounds positive in reality the requirements, as presented, will deliver very little additional benefit when considered within a Welsh context.

The Permanent Grassland *practise* fails to distinguish ecologically valuable permanent grassland from grasslands that are regularly reseeded. As such farmers could receive a *green* payment for temporary leys that continue to be regularly reseeded and offer little if any meaningful environmental benefits. In order to legitimise this payment the definition of permanent grassland must have a sound ecological base. This would then enable support to be directed towards farming systems incorporating ecologically valuable grasslands [and heathlands] that as well as being important for wildlife are vital for the delivery of other environmental goods and services such as the management of water and carbon.

A further drawback in including all non arable grasslands within Permanent Grassland is the 5% limit on conversion from pasture to arable. Welsh farms have become increasingly less diverse over the preceding decades with the result that much of our wildlife that depends on mixed farming is in decline. To address these declines Agri-environment Schemes offer incentives to farmers to manage a proportion of

their agriculturally improved pasture as environmentally beneficial arable options. The ability to adequately deploy these options must be secured.

The Ecological Focus Area *practise* only applies to 7% of eligible arable land, and whilst this may deliver benefits in areas with a significant arable sector within Wales, due to the very small amount of arable land the positive impact of this practise will be very limited. The same applies to the Crop Diversification *practise*. For *greening* measures to deliver real benefits within predominantly pastoral systems such as those found in Wales they (Ecological Focus Area in particular) must be equally applicable to all farming system, and not just arable.

The rational that the proposals will deliver little benefit in Wales because our environment is already in good condition ignores the evidence of environmental degradation. Welsh Government must argue for genuine greening measures within Pillar I specifically designed to tackle Welsh environmental challenges.

### **High Nature Value (HNV) farming**

That the proposal is virtually silent on the issue of support for HNV farms is of significant concern. HNV farming systems, generally found within areas of natural constraints are vital for maintaining and providing environmental goods and services. These farms typically support diverse habitats and species and the way that they are managed has significant implications for carbon and water. Changes to the way Pillar I payments are distributed within MS and a new payment for areas with specific natural constraints may provide an important source of new funding to these areas that are often synonymous with HNV farming but only if they are utilised in a targeted way. Welsh Government should seek to establish mechanisms within Pillar that support for HNV farming systems in Wales as an obvious way of preserving extensive livestock farming systems in the more environmentally challenging parts of the country.

To be successful, the new Pillar 1 measures will need to work coherently with agri-environment schemes to enable targeting of management requirements to specific situations.

## **PILLAR 2**

### **Loss of the Axis structure and associated minimum spending requirements**

The reinstatement of the minimum spend requirement for environmental measures is extremely positive but must be clearly identified as mandatory. Having moved away from Tir Mynydd the inclusion of *payments for facing natural or other specific constraints* must not be seen as an opportunity to introduce an LFA type payment, with no tangible environmental objectives or benefits.

The move away from the Axis structure towards an integrated set of priorities, objectives and targets, which now contains specific reference to restoring **and** preserving biodiversity, has the potential to improve delivery efficiency of the Rural Development Programme provided that it is subject to a robust and meaningful programme of monitoring and evaluation.

The UK's Pillar 2 allocation has historically been very low, however an objective based distribution has the potential to work in Wales' favour provided that all aspects of delivery are shown to contribute in full to the RDPs cross-cutting priorities and also that the Commission takes into account what Wales has actually spent on Pillar 2, through the use of voluntary modulation.

### **Agri-environment**

Agri-environment Schemes are an invaluable way of rewarding farmers who manage their land in ways that benefit wildlife and the wider environment. This vital function has been recognised by the retention of agri-environment, which has been re-branded as agri-environment-climate, as a compulsory part of RDP. The inclusion of *climate* reflecting the increasingly high priority that is being placed on the need to tackle climate change and the crucial role that farmers will play.

The provision to allow payments to include transaction costs up to 20% of the agri-environment premium is very positive as it will increase the rewards for wildlife friendly farmers participating in schemes. The 30% increase for group agreements is a significant development as this has the potential to result in collaborative agreements delivering benefits at a landscape scale. This is very much in line with Welsh Government's developing environmental policy as expounded by the Natural Environment Framework.

It remains to be seen what impact the greening of Pillar I will have on agri-environment. However, there will almost certainly be a requirement to transfer of agri-environment measures from Pillar II to I. Funds freed up from this process should be used for more targeted and ambitious measures under Pillar II. This presents an opportunity to create more effective and targeted schemes, and increase resources for existing schemes (such as the Targeted Element of Glastir) in order to fulfil biodiversity obligations.

#### **Natura 2000 and Water Framework Directive payments (WFD)**

The ongoing inclusion of Natura 2000 payments within the proposals is welcome, as this has the potential to improve the condition of our most valuable wildlife sites by rewarding farmers for appropriate management. Many of these sites are found within areas of environmental constraint and have wider environmental value (water, carbon). This payment should be made available to all land managers within [European] protected sites on condition of specific management prescriptions and/or delivery of [protected sites] management plan objectives.

With regards to support designed to underpin deliver of Water Framework Directive objectives action linked to the RDP should go beyond mandatory requirements.

#### **Risk Management**

Arguably, the most questionable use of public funds in the proposals is that pertaining to risk management. Not only would this measure support farmers to cover crop insurance premiums (something that should be covered by the business), it would also pay for mutual funds which would pay compensation to farmers in the event of a disease outbreak or 'environmental incident'. There would also be an income stabilisation tool which would provide financial assistance to farmers facing a severe drop in their incomes. These all combine to provide a disincentive for farmers to address risk properly as part of their business and represent an extremely poor use of public money.

# Eitem 4

**Common Agriculture Policy Task and Finish Group  
CAP(4)-3-11 Paper 5**



To: The Environment and Sustainability Committee, Welsh Assembly – Common Agricultural Policy Task and Finish Group

From: Farming & Wildlife Advisory Group (FWAG) Wales (Cymru)

Topic: Proposed Reform of Common Agricultural Policy

The Farming & Wildlife Advisory Group (FWAG) Cymru are pleased to respond to the European Commission's proposals for the reform of the Common Agricultural Policy (CAP)' commenting on how the organisation perceives they may affect Wales and Welsh agriculture. We are aware, of course, that the proposals are intended to be universally adopted across Member States and will be determined by co-decision.

FWAG Cymru works with farmers and landowners to deliver best farm practices and to enhance the wildlife opportunities on farms and estates. The

organisations encourages, supports, guides and inspires farmers as they combine commercial agricultural production with sound environmental management. It has a membership of over 700 farmers including over 80 within its premier membership category, FWAG Cyntaf. It is a charitable trust with steering committees comprising farmers and representatives from partner organisations from both the farming and conservation industries.

We note that one of the key elements of the proposals as initially suggested is a 30% “Greening” element that farmers will need to adhere to in order for them to draw down their full entitlements.

In essence, FWAG Cymru does not object to this greening, element as it should contribute towards securing a robust eco-system. However, it has grave concerns about the over-emphasis or perceived over-emphasis (this dependent on the detail of the definition of the proposed “greening”) on greening and the environment within the proposals. FWAG Cymru has worked tirelessly with the farming industry to ensure that farmers are supported, guided and inspired as they combine a high standard of agricultural production with sound environmental management. The farming industry has recognised its role and responsibility within the environmental realm, and FWAG Cymru is determined that this is further developed and encouraged. There is every danger that without careful management and attention to detail of the greening elements, that the proposals will manage to alienate the industry, so giving little hope of the momentum created to be developed.

It will be appreciated by the group that the way Glastir was structured and presented to farmers with an emphasis on the options which had to be undertaken on agriculturally improved land had a massive negative impact on farmers’ perception of agri-environment schemes and the entire field of environmental management. They were understandably angry, perplexed and confused by the conflicting messages – on the one hand, use your agriculturally improved land to maximise agricultural production, on the other the majority of Glastir active options had to be undertaken on improved land, so taking it out of agricultural production. The only explanation that can be given to this emphasis in Glastir is the current requirement to base agri-environment payments on profits foregone and the cost of any capital works such as fencing – this particular basis for payments

seems to be the crux of the problems in setting up a workable, effective, agri-environment scheme. FWAG Cymru would welcome a move to a value being put on a wildlife, landscape, historical or habitat feature with no reference to the loss of production. A value needs to be put on, for example, a mature oak tree or a two acre species rich bog – is the tree worth £5 per year or £150 per year to the nation if managed correctly for its wildlife , carbon sequestration, landscape & historic value?

We welcome the recognition that organic farmers contribute to greening through their farming systems, and further suggest that many conventional farmers do so too albeit perhaps generally to a lesser degree – a scaling up to the 30% could be applied with farms assessed for their contribution to greening.

The detail of the CAP proposals may affect farmer response to the adaptation of the reforms vis:

- 1) **Ecological Focus Areas (EFA).** FWAG Cymru are pleased that the commission wishes to implement some basic protection of the landscape and wildlife through these proposals. However, the proposals suggest that all farms will need to have at least 7% of their declared area to encompass EFA. The UK, and especially Wales, has a long and noble history of adopting agri-environment schemes going back over 30 years. We note that the qualifying criteria for the Welsh Government's Tir Cynnal scheme was 5% or more of habitat and we suggest that this is a more appropriate figure.

FWAG Cymru suggests that gauging a farm's ecological contribution on the basis of a straight percentage of the farm covered with habitat or landscape features is too simplistic. Careful consideration needs to be given to the way the ecological focus areas are measured and FWAG Cymru suggests that some weighting will be useful. A well-managed small pond, brimming with aquatic life may contribute little to the percentage cover of habitat features on a farm, but make a huge contribution ecologically.



We are very concerned that if EFAs are additional to any land already entered into agri–environment schemes ( or any other environmental grant schemes), this will materially affect:

- (a) Glastir – Farmers may not wish to enter into a Glastir All Wales Element (AWE) agreement if it means taking an additional 7% of land over and above any options selected into EFA. This may affect uptake of this scheme.
  - (b) Glastir Woodland Creation and Glastir Woodland Management Schemes. As (a) above.
  - (c) Glastir Targeted Element. As (a) above.
  - (d) Further, some of the proposals such as the multi–cropping one (as detailed below) may materially affect Glastir options resulting in more reforms of this scheme.
  - (e) Food Security. It seems to FWAG Cymru that there should not be an emphasis to remove potentially productive land from producing food. FWAG Cymru welcomes making the criteria for EFAs as wide as possible. In Wales, the most intensive farms are likely to be dairy units and FWAG Cymru suggests that the Welsh Government should ensure that EFA criteria includes such qualifying features as hedgerows, protected ponds and field tree canopies. Further, scrub and indeed bracken banks should legitimately qualify as “Landscape Features” as these areas are useful repositories for a host of creatures and often frame the Welsh landscape in any case.
- 2) 3 Hectare rule. Under the proposals, it is suggested that farms growing more than 3ha of arable crops would need a diversity of a minimum of 3 different crops of which one cannot exceed 70% and none less than 5%. FWAG Cymru understands that this rule has been proposed to break the cycle of monoculture but we feel that the figure of 3ha (7.5 acres) is ludicrously low when consideration is given to the size of individual UK farm units in comparison with other European countries. Further, this rule will greatly impinge on dairy farmers growing maize & short term leys only. There is also likely to be great impacts on farmers taking arable options under Glastir where, in order to secure points over threshold levels, in excess of 3ha of roots may

have been selected and now these farmers will have to seek alternative crops to the detriment of their farming businesses.

We feel that the UK as a whole should seek a derogation to increase the trigger threshold for the 3 crop rule to at minimum of 15ha. This would allow grassland farmers to diversify their farms with small scale arable cropping.

- 3) **95% Permanent Pasture.** FWAG Cymru welcomes the intention to retain as much permanent pasture as possible as this is an invaluable resource for carbon storage, water management and is important for soil health. However, there needs to be enough flexibility to allow farmers to be as self sufficient in crops as possible and to encourage the uptake of the arable options under agri-environment schemes for the benefit of food production, sustainability and wildlife.

Minimum tillage methods should be encouraged where appropriate and consideration should be given to grassland leys on a very long rotation – perhaps 10–15 years between ploughing.

We are concerned about how this will be monitored without adding to the bureaucratic & regulatory burden imposed on farmers.

FWAG Cymru also notes that there are three voluntary elements to the proposals that the Welsh Government, if it was so minded, can adopt. We would be supportive of the Welsh Government seeking to trigger these options. They are:

- A) **Areas of Natural Constraint (ANC).** We note that up to 5% of the national (Welsh) ceiling can be taken off to provide for additional payments to ANCs. We recognise that there are significant areas of Wales that are difficult to manage. We suggest that farmers and land managers, with their stock management skills, are best placed to deliver enhanced biodiversity benefits to these areas and we would support the Welsh Government in providing additional payments to farmers meeting agreed targets for those aims.

- B) **Recoupling.** FWAG Cymru notes that there is provision for allocating up to 10% of the national (Welsh) ceiling to recoupling. We would be strongly supportive of this provision if it was targeted at encouraging a diversity of livestock in the marginal areas or where an industry sector is been unfairly disadvantaged. For example, the Welsh Government may wish to consider supporting suckler cows in the uplands, the small dairy producer or the beleaguered Welsh pig industry even if on a temporary basis. By undertaking such actions, the Welsh Government can be seen to be maintaining farm structures.
- C) **Pillar Two.** FWAG Cymru notes that compulsory modulation will cease but that there is provision to add a further 5% into pillar two for use in rural development. FWAG Cymru would encourage the Welsh Government to make use of this provision to support Glastir and rural communities with strong cultural ties to the betterment of the country as a whole.

Although beyond our specific environmental remit, FWAG Cymru are keen to see that the proposals encourage and support young farmers providing a sound base for future generations of people with skills in stockmanship, crop production and environmental management. We would also encourage the Welsh Government to reduce the burden of “red tape” as much as possible on the farming community and to ensure that the CAP reforms do not unnecessarily add to this burden.

Finally in these times of shifting emphasis on all farms to environmental sustainable farming practices it is vital that on-farm support in the form of advice is provided. FWAG Cymru will be delighted to continue to assist with this, and ideally at least partially through the Welsh Government’s Farming Connect programme.

ENDS





**Soil Association response to the Environment and Sustainability Committee Common Agricultural Policy Task and Finish Group Inquiry into Reform of the Common Agricultural Policy**

**November 2011**

**1. Introduction**

This response is made on behalf of the Soil Association and produced by its policy department. The Soil Association is the main organisation for organic food and farming in the UK, and is a membership charity with over 27,000 members including approximately 4000 farmer members. The Soil Association also owns an accredited organic certification company.

**Nb.** This response focuses on the details of the legislative proposals as they relate organic farming which is the Soil Association's area of expertise.

**2. A brief overview of organic farming in Wales**

The area of organically managed land stood at 124,681 ha at the end of 2010. Most is fully organic with only 5,099 ha in conversion. This represents just over 8% of the agricultural land area<sup>1</sup>. The Soil Association certifies around 30,800 Ha of this land. Organic Centre Wales estimates that Welsh producers sold about 65,000 organic lambs and 3,900 organic cattle in 2010.

**3. Summary of the Soil Association's response to the CAP legislative proposals**

The Soil Association supports the European Commissioner's strong focus on stimulating employment in farming (in the UK organic farming generally creates over 70% more jobs), and on greening the CAP. The EU Audit Commission has recognised that there is clear scientific evidence of the environmental benefits of organic farming.

We support the compulsory 30% allocation of Pillar 1 payments to benefit the climate and the environment. We welcome the decision that certified organic farmers will be automatically eligible for this payment, without additional requirements, because, in the Commission's words "they are shown to provide clear ecological benefit".

In the Rural Development element, Pillar 2, the "new separate measure" for organic farming, designed to give organic farming "greater visibility", is particularly important for UK organic farmers, as we currently receive lower Pillar

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<sup>1</sup> Soil Association Organic Market report 2011

2 payments in the UK than in any other EU Member State. We expect this new proposal from the European Commission to deliver a degree of fairness to British organic farmers, with a more level playing field with competitors in other EU countries than they currently enjoy'. We would, however, like to see greater clarity from the Commission about what Member States will be expected to deliver through this 'new separate measure'. We are also anxious that the innovative role of organic farming is recognised through strong involvement in the new Innovation Partnership in Pillar 2.

We recognise that there is potential for there to be major changes to the proposals as they stand and would request that the Welsh Assembly take into consideration a number of details of the legislative proposals which require change which relate to organic farming. The details and the rationale for these recommendations are detailed in section 5 below.

#### **4. An overview of the Soil Association's general position on the Common Agricultural policy and its reform**

Only a small share of the €53 billion CAP budget is currently targeted at clear public policy objectives. Our view is that the whole budget should support clear and targeted measures.

At the moment the CAP does not sufficiently encourage farmers to shift towards genuinely sustainable food production (without reliance on fossil fuels, pesticides, imported animal feed and mined phosphorus) or to adopt land management practices that meet the real challenges of the future: climate change, improving water resources, recovering biodiversity and guaranteeing long-term capacity for healthy, secure food production.

Reform is needed to bring the CAP in line with the EU Budget Heading under which it falls: "Preservation and management of natural resources".

#### **The Soil Association believes that the CAP post-2013 should support agricultural practices that use natural resources in a rational way:**

Water: no depletion or pollution of ground water, no use of river water that leaves rivers running low, and no pollution of rivers  
Soil: conservation and improvement, not degradation  
Wildlife on farms: conservation and enhancement, not decline  
Landscape: conservation and positive changes to increase diversity, not destruction of valued landscape features like hedges  
Climate: encourage farming practices that store carbon in soils and that rely on renewable fertility and energy, not fossil-fuel based fertility  
No use of any persistent, bio-accumulative, hormone disrupting pesticides  
Highest standards of farm animal welfare.

We believe that organic farming can play a key role in delivering the numerous public goods which EU citizens expect as part of the farm business. As a system, organic farming can deliver all (or almost all) of the above objectives much more efficiently than an approach which relies on a myriad of policy interventions which attempt achieve each one separately.

The compliance costs (inspection and certification) are already effectively met by organic farmers and growers – not taxpayers. Finally, the delivery of multiple public goods is also the main driver of every organic farm business.

In contrast, tailor-made specific solutions have serious flaws. Reactionary interventions tend to have high costs of implementation and specific interventions can even work against each other. For example, increasing output of milk per cow to reduce greenhouse gasses will reduce animal welfare.

Piecemeal approaches also increase administration and compliance costs. The CAP should therefore recognise the efficiency of supporting organic farming systems over a policy of inefficient individual interventions which attempt to achieve environmental and social objectives separately.

Organic is currently the only legally defined systems approach to sustainable farming; if the CAP is to achieve real public benefits, some of the public money available should be used to support this farming system.

## **5. The current legislative proposals as they relate to organic farmers<sup>2</sup>**

We welcome the provisions within the proposals which enhance the status of organic agriculture, but we are concerned that these changes could bring about unintended consequences. For example, member states could use the fact that organic farmers are automatically entitled to the greening payment to not implement or to reduce payments to organic farmers under pillar two.

We are concerned that the current proposals may mean that member states offer differing levels of support to organic farmers. This could lead to trade distortions between and within member states.

While the inclusion of organic farming within the 25% minimum funding requirement for land management and climate measures will help, consideration should be given to making the organic measure (Article 30) compulsory and/or applying the higher co-financing rates foreseen in Article 65(4) of the proposed RDP regulation as a means to achieve greater consistency between programming regions.

## **6. Recommendations for amendments**

The International Federation of Organic Agriculture (IFOAM) EU Group (of which the Soil Association is a member) has developed a number of recommendations to ensure the CAP 2014-2020 would support organic farming<sup>3</sup>. These include:

- Sufficient funding for the conversion to and maintenance of organic farming must be ensured by strengthening the 2nd pillar budget and by ring-fencing a significant share (50%) of the rural development

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<sup>2</sup> With thanks to Professor Nic Lampkin of the Organic Research Centre for this analysis. For further detail see [http://www.organicresearchcentre.com/?go=Policy and debates&page=CAP reform#organic](http://www.organicresearchcentre.com/?go=Policy%20and%20debates&page=CAP%20reform#organic)

<sup>3</sup> Further information on positions taken by the European organic movement can be found at [www.ifoam-eu.org/workareas/policy/php/CAP.php](http://www.ifoam-eu.org/workareas/policy/php/CAP.php)

programmes' budget for measures that deliver to environmental objectives such as organic farming.

- Organic farming must be made a mandatory measure under the rural development programmes and should be eligible for 80% EU co-funding.
  - Organic farming should be specifically included as a priority in relevant rural development measures such as advisory services, investments and producer groups. Organic farms should be allowed 20% higher support rate.
- The second pillar budget should increase to at least 50% of total CAP budget before 2020.
  - A more specific point is that the diversity of grasslands must be considered in the permanent grassland definition. Where those areas currently defined as permanent grasslands are in fact land in traditional crop rotations which include 7-10 years of grassland, such land should be eligible for return to a rotation including a grass/legume fodder crop (as per the crop diversification measures).