



Llywodraeth Cynulliad Cymru
Welsh Assembly Government

WRITTEN STATEMENT BY THE WELSH ASSEMBLY GOVERNMENT

Title: Axis 1 – Processing and Marketing Grant Scheme (PMG) and Supply Chain Efficiency Scheme (SCE)

Date: 15 March 2011

By: Elin Jones, Minister for Rural Affairs

I am pleased to announce that an additional £9m has been allocated by the Programme Monitoring Committee to support activities under Axis 1 Competitiveness of the Rural Development Plan for Wales 2007-13. The additional funding will be used for further investment through the Processing and Marketing Grant Scheme and the Supply Chain Efficiency Scheme.

The Processing and Marketing Grant Scheme is designed to enable primary producers of agricultural and forestry products in Wales to add value to their outputs. It is also designed to improve the performance and competitiveness of their businesses; to respond to consumer demand; to encourage diversification and to identify, exploit and service new emerging and existing markets.

The Supply Chain Efficiency Scheme is designed to help move 'embryonic' supply chain partnerships to a stage where they are confident to adopt a new supply chain process leading to greater tangible and intangible benefits. It aims to increase the capacity of producers to take costs out of the supply chain, improve marketing capability and ensure future sustainability.

Both of these Schemes have been successful and full commitment of the existing funding allocation was achieved early in the Programme Period. I anticipate high levels of demand to access the additional funds and I have put in place a process to ensure the funds are allocated to activities that will make the most contribution to the aims of the Rural Development Plan.

To ensure a transparent and fair process the additional money for the Processing and Marketing Grant Scheme will be allocated through a competitive bidding round. The detailed criteria will be developed by an expert panel but will include an emphasis on adding value to primary agricultural and forestry products. Innovation will also carry additional weighting.

Existing approved Supply Chain Efficiency projects will be invited to bid to extend their activity. It would not be cost effective to set up new Supply Chain Efficiency projects at this stage in the RDP.

I have asked the Food and Drink Advisory Partnership to give further consideration as to how these new funds might best be invested and provide guidance on priority areas. Once that work has been completed guidance will be issued to interested potential applicants by the end of May. Applicants will have a three month period to discuss and develop their project proposals and it is anticipated that the application window will open in September.