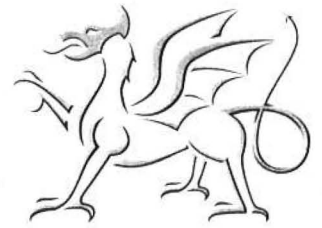


**Gweinidog dros yr Amgylchedd, Cynllunio a Chefn Gwlad**  
**Minister for Environment, Planning and Countryside**



Llywodraeth Cynulliad Cymru  
 Welsh Assembly Government

Our ref: MB/CJ 00191/04

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11 March 2004

As you know, lack of time prevented a full debate on Farming Connect on February 24, 2004. This was regrettable in that it seems to have caused some confusion regarding a number of important points. I am writing, therefore, to clarify the position regarding the recent review of the service and the subsequent changes which are being implemented.

First, however, I should make it clear the changes were proposed following a review process which included all the Farming Connect partners and a number of individual farmers. The changes were extensively publicised immediately after the debate on February 24. In particular:

- a letter has been sent to every farmer registered with Farming Connect giving details of the changes
- full information is available on the Farming Connect website
- an email bulletin giving full detail of the changes has been sent to partners, delivery organisations, Farming Connect consultants and facilitators, and the farming unions

In addition a detailed article will appear in the next edition of Gwlad magazine, which is mailed direct to every farmer in Wales and to all our stakeholders.

Since I launched Farming Connect in September 2001, thousands of farmers have registered and benefited from the varied services this scheme has to offer, including free business planning advice, training and access to a range of capital grants.

Capital grants have proved to be an extremely successful part of the Farming Connect package with high uptake of Farm Improvement Grant in particular. Farming Connect grants have so far generated more than £40m of investment in the infrastructure of the Welsh farming industry, with around 60% of that total representing investment in buildings.



During the debate I announced that WEFO have approved a second phase bid for Objective One funding which will mean an additional £5.6m is available for farm enterprise and farm improvement grants to support total capital expenditure of £15m.

One of the most significant strategic recommendations resulting from the review of Farming Connect is the re-orientation of the Farm Improvement Grant towards supporting environmental improvements on farm. I launched the Farming Connect Environmental Strategy at the Winter Fair in December and I said then that the strategy would need to be integrated fully into all aspects of the service.

The revised grant scheme, FIG 2004, will support that strategy. Grants will be available for capital projects to promote efficient waste management, resource management, and livestock and crop husbandry where there are demonstrable benefits for animal welfare or hygiene. FIG 2004 will also encompass a new category of grant to support projects which benefit wildlife habitats, landscape and the historic environment.

Because of the particular difficulties currently faced by the dairy industry buildings to house milking parlours and fixed equipment for dairies will remain eligible for grant.

Details of the changes to FIG are as follows:

From 19 April 2004, the current FIG will be replaced by a revised version (to be known as "FIG 2004"). Support is available under one or more of the following four categories:

- Waste Management – efficient management of farm waste products in an environmentally sensitive manner.
- Resource Management – encouragement of sustainable use of resources.
- Livestock and Crop Husbandry – specific items of investments which can improve animal welfare and hygiene of products.
- Wildlife / Landscape / Historic – specific items for the benefit of wildlife habitats/species, landscape and the historic environment.
- All farm buildings, roads and yards (with the exception of buildings to house milking parlours and facilities/fixed equipment for dairies) will be ineligible for grant. Any farmer who had an acceptable FBDP lodged with WDA by midnight on the 23<sup>rd</sup> of February will have until 19 April 2004 to submit a complete application under the original FIG Scheme, when it will close to applications.
- A concession is made for applicants whose FBDP has been delayed due to waiting for the completion of an EOR.
- There will also be some flexibility for farmers who are able to submit a grant application by the closing date but who do not have all the supporting documentation (for example planning permission) as long as there is an accompanying note to explain what is awaited and when it is likely to become available.

- The revised scheme 'FIG 2004' will open to applications on 19 April 2004.
- Capital investments in Pig and Poultry enterprises will be ineligible under FEG but will be eligible for FIG 2004 (this means that buildings will be ineligible). Otherwise the FEG will remain unchanged.
- Some administration requirements for both FIG 2004 and FEG (as from 19 April 2004) will be relaxed.

Support for entrepreneurship has always been a priority for Farming Connect and the Farm Enterprise grant remains unchanged.

The changes to the Farm Improvement Grant do not affect any of the other services provided by Farming Connect, including free Business Advice, Technical Advice, Demonstration and Development farm activities co-ordinated through the four Development Centres; Machinery Ring services and access to a wide range of training opportunities.

The review of Farming Connect which preceded the changes to the capital grants schemes was undertaken as part of the Welsh Assembly Government's commitment to continually assess and improve the delivery of the scheme.

The review process was conducted through a series of independently facilitated workshops which included representatives from a wide range of partners and bodies involved in the delivery of Farming Connect including WDA, ELWa, Lantra, the Environment Agency, consultants, facilitators, development centres and training providers as well as beneficiary farmers. Data from the on-going evaluation carried out as part of the management of the scheme was also reviewed, including customer satisfaction forms.

The review identified more than 100 business improvement ideas, most of which have already been implemented, and a number of recommendations for strategic change. A draft report on the review was circulated to organisations represented on the Farming Connect Partners Group in late 2003 and the final report was submitted to me on December 18<sup>th</sup>.

Following careful consideration, I decided to accept the recommendations in the report and a Decision Report was published on February 24<sup>th</sup>. This included a link to the Farming Connect website where full details of the review and the changes to the scheme can be accessed. A copy of the full report was placed in the Library a week before the debate.

I am confident that the changes I have announced will strengthen the delivery of Farming Connect and align it even more closely with the Welsh Assembly Government's key priorities, including the goal – central to the philosophy which I outlined in Farming for the Future – of a genuinely sustainable farming sector in Wales.

A copy of this letter is being placed in the Members' s Library.

Yours sincerely

A handwritten signature in cursive script, appearing to read 'Carwyn Jones'.

**Carwyn Jones AM**