

Welsh Government Response to the Independent Review of the Dairy Sector in Wales

	Recommendation	Response	Action	Responsibility	Timescale
	Leadership				
1	<p>Establish an energetic “Welsh Dairy Leadership Board” that integrates the Dairy Task Force for Wales (DTFW). The Board should be chaired by industry and build on the existing Welsh Dairy Task Force to achieve a balance of experience, youth and knowledge. It is accountable for;</p> <ul style="list-style-type: none"> • Prioritising work streams, clarifying outcomes and allocating accountabilities to deliver the Welsh Dairy Review recommendations • Driving the future industry strategy • Coordinating and leveraging activities with the Welsh Food & Drink Board • Collaborating across the UK to ensure that efforts are not duplicated • Capturing, resourcing and delivering innovation through the “Welsh Dairy Innovations Think Tank” (see below) • Identifying knowledge and skills gaps and coordinating solutions through the “Welsh Dairy Knowledge & Skills Group” (see below) • Owning and driving the “Next Generation Engagement Project” (see below) 	Accept	<p>Welsh Government supports the establishment of a Leadership Board and will work with the DTFW on the establishment of this new group. As with the DTFW, Welsh Government will draw on the Leadership Board’s expertise to further inform dairy policy.</p> <p>The DTFW was formed two years ago as a Ministerial advisory group. At the time it was agreed that the Terms of Reference and membership would be reviewed after two years. The Welsh Government believes it is appropriate for the industry to now drive the leadership function and build on the established strength of the DTFW.</p>	Industry (working alongside Government)	May 2015

2	<p>Appoint a “Welsh Dairy Champion” sponsored by Welsh Government to:</p> <ul style="list-style-type: none"> • Be a member of the “Welsh Dairy Leadership Board” and facilitate the effective and efficient operation of this group • Provide a day to day focal point in the industry to coordinate activities and identify industry needs • Act as a communications focal point for the Welsh dairy industry 	Accept (in principle)	<p>The Welsh Government currently sponsors the post “Head of Dairy Development (Wales)” within DairyCo. The Job description for this post is similar to the proposal within this recommendation. The post will be reviewed by Welsh Government to ensure that the role going forward meets the aspirations of this recommendation.</p>	Welsh Government (with DairyCo)	June 2015
3	<p>Instigate an annual “Welsh Dairy Farming Awards” in 2015 as part of the Welsh Farming Conference to celebrate excellence in the dairy industry in Wales and recognise best practice in the following five strategic areas;</p> <ul style="list-style-type: none"> • Leadership • Market Focus • Efficiency • Knowledge & skills • Environment <p>The Welsh Dairy Leadership Board to select category winners.</p>	Accept (in principle)	<p>The Welsh Government recognises the need to celebrate success within the dairy industry and will work with the Welsh Dairy Leadership Board to investigate the implementation of an awards ceremony in 2016.</p> <p>As the awards would be sector specific (for the dairy industry), the preferred approach is that the awards be presented at the Welsh Dairy Show, held in Carmarthen.</p>	Industry	October 2015

4	<p>Identify potential Welsh dairy industry leadership talent across the supply chain and implement a mentoring & training scheme to ensure these leaders achieve their potential for the benefit of the industry.</p> <p>It is recommended that industry work with the proposed 2014-2020 RDP programmes and considers a project bid in the next RDP to fund these activities.</p>	Accept	<p>The Welsh Government will work with the Welsh Dairy Leadership Board and with the wider supply chain to take this initiative forward.</p> <p>Discussions are currently underway to explore the possibility of establishing core industry projects funded by the new Rural Development Programme which could well provide the means of delivery on this recommendation.</p>	Industry and Welsh Government	October 2015
5	<p>Integrate existing Welsh dairy “steering” groups and the Dairy Task Force into the Welsh Dairy Leadership Board where it is agreed that this simplifies and improves efficiency.</p>	Accept	<p>Welsh Government acknowledges that there are a number of groups which meet and represent various parts of the dairy supply chain but not necessarily with common purpose.</p> <p>Welsh Government will work with the Dairy Leadership Board to seeking to ensure that the work of all groups is co-ordinated and focused on the needs of the industry.</p>	Welsh Government and Industry	July 2015

	Market Focus				
6	Complete a feasibility study to evaluate the potential of a market driven dairy processing facility in South West Wales to provide a secure added value market for the anticipated additional 400m litres/annum of Welsh milk produced by 2020.	Accept	The Welsh Government will work with the Welsh Dairy Leadership Board to enable it to procure a study to investigate opportunities to develop dairy processing in South West Wales.	Welsh Government	December 2015
7	<p>Establish a Welsh “Dairy Innovations Think Tank” which is accountable to the Welsh Dairy Leadership Board and run by the industry with the purpose of:</p> <ul style="list-style-type: none"> Identifying existing innovative ideas across the supply chain and transferring them to new users Capturing “blue sky” innovations across the supply chain and leverage them through focused solutions Ensuring innovation is focused on efficiency and the market 	Accept (in principle)	Welsh Government recognises that innovation on farm and in processing will be essential if the Welsh dairy sector is to achieve sustainable growth. Welsh Government will work alongside the Welsh Dairy Leadership Board to establish the most appropriate mechanism to deliver on this recommendation.	Industry	September 2015
8	Ensure that the next round of European Structural Funds, including the future RDP, is used to encourage and facilitate improved primary milk production, dairy processing, product marketing and innovation in Wales.	Accept	The Welsh Government will work with the Welsh Dairy Leadership Board as well as the wider supply chain to ensure maximum benefit is derived from EU and Welsh Government funding.	Welsh Government	Ongoing

9	<p>Collaborate with the new Welsh Food & Drink Board to:</p> <ul style="list-style-type: none"> • Influence Board Terms of Reference to ensure Welsh dairy interests are fully represented • Understand the value of the Welsh brand to food consumers in local and international markets both as a stand alone brand and in association with the British brand • Understand the benefits of tightening Country of Origin Labelling (CoOL) • Enhance the Welsh procurement and promotional website to ensure sellers and buyers of all types are represented 	Accept	<p>The Welsh Government will support the Leadership Board to work closely with the Welsh Food and Drink Board to ensure that the dairy sector is fully represented. The Food and Drink Board will advise on issues around use of Welsh branding and will work with the Food Standards Agency (FSA) on issues relating to CoOL.</p> <p>Public procurement for the benefit of all the Welsh food and drink sectors will also be addressed by the Food and Drink Board (Food and Drink Action Plan recommendations 30 and 42 refer).</p>	Industry	Ongoing
10	<p>Establish a next generation engagement project which is accountable to the Welsh Dairy Leadership Board to connect school children to dairy farming and dairy products with the following intended outcomes;</p> <ul style="list-style-type: none"> • Children understand the value of dairy foods & farming • Parents understand and value dairy through child activities & behaviours 	Accept (in part)	<p>It is proposed that the new Rural Development Programme will introduce a programme which will include engagement with schools. The Welsh Government will work with the Leadership Board to integrate awareness of dairy production and dairy products into this project.</p> <p>There are currently mechanisms within the existing school curriculum to enable education of farming and food, through PSHE (Personal, Social, Health Education), on food/wellbeing</p>	Government and Industry	January 2016

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11	Work with the Government public procurement service to ensure Welsh dairy products are included in tenders to supply Welsh schools and hospitals and the wider public sector.	Accept	<p>The Food and Drink Action Plan, Towards Sustainable Growth (Action 30) focuses on public sector purchasing and states that The Food and Drink Wales Industry Board will work with the Welsh Government to enable opportunities for Welsh food companies to supply the public sector. The National Procurement Service (NPS) are developing a Food Strategy for 2015.</p> <p>Investment in distribution structure across Wales is a key priority for the NPS which will make it easier for Welsh SMEs to access public contracts, it will also ensure food frameworks are posted on the Sell2Wales website to allow Welsh SME's to tender for them.</p> <p>NPS embeds the principles of the Wales Procurement Policy into all the contracts and frameworks it lets and manages. In line with this all its contracts and frameworks are open, fair and transparent for all parties.</p>	Welsh Government	January 2016
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	Efficiency				
12	<p>The Welsh Dairy Leadership Board, working with the Welsh Government, should understand and quantify how improved logistical collaboration could remove cost from the Welsh dairy supply chain.</p>	Accept (in principle)	<p>Logistical collaboration could be part of a Core Industry Project proposed for support under the Rural Development Programme. This recommendation might well be met In conjunction with Recommendation 4.</p>	Welsh Government	October 2015
13	<p>Ensure that the knowledge transfer activities, such as those delivered by the new Farming Connect programme and DairyCo are joined up and focus on the priorities of the 5 point plan, with particular focus on efficiency gains in the following areas;</p> <ul style="list-style-type: none"> • Improved grass utilisation • Enhanced silage quality • Improved utilisation of slurry & soil nutrients (including use of anaerobic digesters) 	Accept	<p>The Welsh Government is currently in the process of carrying out a procurement exercise for the provision of advisory and knowledge transfer services under the new Rural Development Programme. Productivity, technical efficiencies and animal health and welfare are proposed areas of support to be delivered through the service.</p> <p>Part of the role of the Dairy Champion, with the Leadership Board, will be to ensure that support into the dairy supply chain, from all available funding sources, is co-ordinated and used to the maximum benefit of the sector.</p>	Welsh Government and DairyCo	September 2015

14	Welsh Government should seek to influence HM Treasury to look urgently at whether the current taxation regime hinders future investment in the dairy sector and to act accordingly.	Accept	The Welsh Government will raise the issue of Taxation of agricultural businesses with H M Government. This action will also address a similar recommendation in Malcolm Thomas' Independent Review into the Next Generation of Farming, to help new entrants and those wishing to leave the industry.	Welsh Government	August 2015
15	<p>Evaluate the potential for Welsh dairy share farming schemes in line with recommendations by Malcolm Thomas to;</p> <ul style="list-style-type: none"> • Ensure land, buildings machinery are used efficiently • Facilitate new entrants to dairy farming • Retain and share knowledge & skills 	Accept	<p>The Welsh Government considers collaborative ventures to be an important means of enabling innovative solutions to support new entrants into the industry.</p> <p>Through the Co-operation measure within the RDP 2014 – 2020, the Welsh Government will explore the potential for collaborative ventures as a means of supporting mobility in the Dairy sector and wider industry.</p> <p>Welsh Government will continue to work alongside the YESS Stakeholder Group to scope out the development of a Joint Opportunities Platform (JOP).</p> <p>The establishment of the JOP is deemed an essential tool in order to create mobility and opportunities. The</p>	Welsh Government	December 2015

			platform will help to encourage entrants into agriculture by offering innovative methods and promoting share and contract farming. The Welsh Government views its role in respect of JOP to be one of leading the facilitation aspect on behalf of the industry.		
16	Ensure RDP payments focus on improving dairy farm productivity, animal health and welfare.	Accept	<p>Productivity and technical efficiencies will be a critical focus of the support provided by the Welsh Government to agricultural businesses. In particular, Farming Connect will offer advisory services and knowledge transfer in the areas highlighted.</p> <p>Welsh Government will work with the Wales Dairy Leadership Board to ensure that there are links to the work of the Wales Animal Health and Welfare Framework Group. This Group already has an agreed list of disease priorities including BVD and sheep scab, along with broader cross cutting themes such as biosecurity, health planning and antimicrobial resistance.</p>	Welsh Government	Ongoing
17	Benchmark the cost and environmental impact of energy used by Welsh dairy farmers and processors against global competitors to	Accept	The Welsh Government recognises benchmarking as a useful tool for dairy farmers to increase efficiency	Industry	October 2015

	understand international competitiveness and comparative environmental impact. Identify areas for costs reduction and viable options for alternative fuel sources to reduce environmental impact.		and the need for businesses across the supply chain to benchmark. The new Farming Connect programme will support the uptake of benchmarking activities, with advice on energy reduction and energy generation.		
18	<p>Evaluate a dairy farmer exit scheme, through funded professional advice which has the potential to;</p> <ul style="list-style-type: none"> • Retain knowledge & respect lifestyles of retiring farmers • Ensure land, buildings machinery are used more efficiently • Retain and share knowledge & skills of retiring farmers • Facilitate new entrants to dairy farming 	Accept	We will evaluate this more closely as we have complementary actions in hand or planned. This complements an action in our response to the Malcolm Thomas report into the Next Generation into Farming, and under the Rural Development Programme 2014 – 202 we propose to provide a range of support for those wishing to enter and exit the industry.	Welsh Government	January 2016

	Knowledge and Skills				
19	<p>Develop a common strategy and funding plan to improve knowledge transfer, business skills and leadership for dairy farmers which;</p> <ul style="list-style-type: none"> Coordinates and makes most effective use of Welsh Colleges, DairyCo, Dairy Innovation Centres and Farming Connect. Establishes a dairy centre of excellence to rival Moorepark in Ireland Collaborates with English and Scottish Agricultural colleges to pool resources / expertise and avoids duplication Develops and leverages study tours, farm visits, benchmarking, farmer exchange and discussion groups* 	Accept (in part)	<p>Professor Wynne Jones' Independent Review of Learning made a number of key recommendations that complement elements of this recommendation and will be taken forward through the delivery of that action plan.</p> <p>The recommendation of establishing a dairy centre of excellence will not be pursued as there are a number of centres already established within Wales e.g. Coleg Sir Gar and IBERS at Aberystwyth University as well as outside of Wales e.g. Harper Adams University College that already have the expertise and facilities to support the dairy industry.</p>	Industry	Ongoing in line with Professor Wynne Jones' report

20	Ensure that commissioned consultants within the new Farming Connect programme provide a consistent and effective service, possibly through an accredited charter for relevant consultants.	Accept	Farming Connect consultants are awarded contracts by Welsh Government following an open and fair procurement process. Included within the services procured for Farming Connect in 2015 will be an element to quality control advisory services, as well as developing consistent Continuous Professional Development (CPD) for those consultants.	Welsh Government	December 2015
21	Develop farmer understanding of how the global, UK and Welsh dairy markets operate and how to future proof their businesses against market volatility.	Accept	Delivery of this recommendation will be through the proposed Farming Connect Scheme under the next Rural Development Programme as well as support made available by DairyCo as part of its support to Levy payers.	Welsh Government and DairyCo	September 2015
22	Establish a “Welsh Dairy Knowledge & Skills Group” which is accountable to the Welsh Dairy Leadership Board with the purpose of develop a long term strategy to forge links with business and improve the quality, number and motivation of the following key industry skills; <ul style="list-style-type: none"> • Farm labour • Farm managers • NPD and innovation • Marketing • Food science • Engineering 	Accept (in part)	Skills development will be an important aspect that will be delivered in conjunction with LANTRA. The Welsh Government does not feel the need, at this time, to establish a new group purely for the dairy sector. This action will be delivered through the Wales Agricultural Strategy Programme, the Food & Drink Action Plan and Professor Wynne Jones’ independent review.	Welsh Government	December 2015

	<ul style="list-style-type: none"> Processing (linking to existing Wales Dairy Industry Skills partnership) 				
	Environment				
23	Develop a strategy to reduce greenhouse gas emissions on Welsh dairy farms	Accept	<p>The Welsh Government has had commitments in place to reduce the greenhouse gas emissions from the agriculture sector since 2010 as part of our overarching targets.</p> <p>Reductions from dairy farms are a key part of the approach needed and also offer opportunities to farms that will help support their future sustainability. The Agriculture Strategy Development Programme and the next Rural Development Programme's support for measures that will mitigate against GHG emissions will take forward this recommendation.</p>	Welsh Government and Industry	Ongoing
24	Develop specific plans to improve the impact of dairy on natural capital (air, soil, water and biodiversity)	Accept	<p>The Welsh Government will work with the dairy industry to develop and deliver on the Dairy Road map. It will also continue to support delivery on natural capital through Farming Connect delivery and through cross compliance and the Code of Good Agricultural Practice (CoGAP).</p>	Welsh Government and Industry	June 2016

25	Improve the uptake of Glastir (Welsh sustainable land management) by making the scheme more attractive to dairy farmers	Accept	The Welsh Government has reviewed the Glastir scheme for the new RDP and will be seeking to improve dairy farmers participation in those areas identified for targeted intervention to deliver key environmental objectives. In addition to Glastir, other parts of the RDP proposes to support the industry to improve its environmental performance.	Welsh Government	Ongoing
26	Develop plans to ensure the long term water needs of the dairy processing industry are met	Accept	The Welsh Government will work with dairy processors and Natural Resources Wales to ensure that water is used sustainably and that the environment is protected and enhanced in line with future statutory requirements of the Well-being of Future Generations (Wales) Act (pending Royal Assent) and the Welsh Government's natural resource management commitments. In particular, future water requirements for the dairy processing industry will need to be considered in development of 'Area Statements' which the Welsh Government intends to put in place through the Environment (Wales) Bill being introduced to the Assembly in Spring 2015, which will identify and help prioritise local requirements,	Welsh Government and Industry	June 2016

			challenges and opportunities to manage natural resources in a more sustainable and proactive manner.		
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