

Environment and Sustainability Committee

Scrutiny of the Deputy Minister for Farming and Food

1. This paper provides an update on a range of agricultural issues that fall within the portfolio of the Deputy Minister for Farming and Food.

Progress on preparing for implementation of the new CAP

2. The Welsh Government has formally submitted its Rural Development Plan (RDP) to the European Commission (EC). Discussions are due to start in late September and may extend into November or December. Preparations continue for the implementation of the schemes that will deliver the RDP to the end users. Details of these schemes are on the Welsh Government website:
<http://wales.gov.uk/topics/environmentcountryside/farmingandcountryside/cap/ruraldevelopment/rural-development-plan-for-wales-2014-2020/documents-2014-2020/9067273/?lang=en>
3. Policy decisions for all aspects of Pillar 1 have been submitted to the EC. Claimants were sent guidance in July and Rural Payments Wales will be publishing a series of short guidance notes about aspects of the new arrangements. A review process has been established to consider applications to change the classification of land from one payment region to another.
4. Future plans for Glastir were outlined in an oral statement in plenary on 17 June: http://www.assemblywales.org/docs/rop_xml/140617_plenary_bilingual.xml. The proposals, which are subject to approval from the EC under the RDP, will protect Wales's natural resources for future generations, support green growth and build resilience within Welsh agriculture and forestry industries, while delivering the best value for the Welsh taxpayer.

Agriculture Industry Issues

Milk and Beef Prices

5. The early spring and good summer weather has raised milk production. Production in July reached 1,231m litres, the highest level for over 10 years, putting cumulative production (Apr-Jul) up 9% on the previous year. The average UK farm gate milk price stood at 31.79 ppl in July, 0.05ppl (0.2%) less than the June average price. The July 2014 price was 0.41ppl (1.3%) higher than July 2013.
6. In the last few months beef prices have fallen substantially. The prime cattle price at Welsh auction market for the week ending 14 June stood at 177p/kg; some 32p below the same time 12 months ago. For deadweight prices the average GB steer price for week ending 14 June was 330p/kg, 70p lower than the same time in 2013. With the current average steer carcass weight at 374kg this fall in price equates to a decrease of £262.00 in the total carcass value to the producer.
7. There are a number of reasons for this decrease in prices. For example, there has been a significant increase in quantities of cheaper beef being imported from the Republic of Ireland during the first few months of the year, which has caused a

destabilising effect on the UK beef market. HMRC statistics show that during the first four months of the year, imports of Irish beef increased by 15%. In addition, UK beef exports during the first four months of the year have been well below year earlier levels. This decline in exports combined with increased home production and significant increases in imports has led to the downward pressure on beef prices.

8. At the Hybu Cig Cumru (HCC) Board meeting on the 9 May it was agreed that HCC would undertake a comprehensive review of the beef sector over the coming months. The review will evaluate the current state of the Welsh beef sector, determining where there are current opportunities for expansion and improvement together with an appraisal of weaknesses and threats to the sector. The Review will also look at current production levels both on-farm and within the processing sector.

EU Organic Farm Proposals

9. The aims of the EC's organic farm proposals include clarifying the rules, addressing gaps in legislation, encouraging fair competition for farmers and operators, addressing consumers' concerns, removing exceptions to the rules, streamlining the control system and reforming the trade regime.
10. Responsibilities over organic regulations remain with the Member State and are administered by Defra on the behalf of the devolved countries. Welsh Government officials are in close contact with Defra, ensuring that the interests of Welsh organic producers are represented in their negotiations with the EC.

Animal Health and Veterinary Laboratories Agency (AHVLA) and the future of laboratories in Wales

11. In 2011 AHVLA announced the outcome of a review of their laboratory testing service. This resulted in laboratory testing being removed from the two laboratories in Wales at Carmarthen and Aberystwyth. The 2 Welsh sites remained open and provided a post mortem examination (PME) service to private veterinary practices and farmers.
12. The number of PME submissions at AHVLA's Aberystwyth Veterinary Investigation Centre reduced significantly and it was no longer viable to continue offering the PME service. AHVLA Aberystwyth site is closing in 2014 as part of the implementation of Surveillance 2014 project. The site ceased providing a PME service in March 2013 and was used as a collection centre for carcasses. This service as a collection centre ceased on 1st September 2014.
13. Officials are working with AHVLA and interested parties to explore the reintroduction of veterinary investigation services at Aberystwyth operated under private sector or not-for-profit stewardship.

Intensive Agricultural Production

14. The Welsh Government supports the need for profitable and resilient farming businesses producing sustainability for the benefit of the economic, environmental and social fabric of Wales. Through the standards laid out in the Cross

Compliance, farmers of all sizes and practices must comply with the Standard Management Requirements of Environmental, Public Health, Plant Health and Animal Health and Welfare Standards.

Professor Wynne Jones' work on Further Education Colleges and support to farm businesses in Wales

15. Professor Wynne Jones has met with 40 individuals, stakeholders and organisations in the last two months as part of his work on agricultural skills. He has reviewed a number of reports commissioned specifically in Wales, and others with a UK wide brief, which have relevance to the present review. It is envisaged that the review will identify potential of key Further Education Colleges with agricultural provision to engage in a more proactive role in developing a profitable, vibrant, enterprising and innovative agricultural industry that is able to compete in an increasingly volatile global environment.

Update on Bovine TB

16. The broad principles of the Eradication Programme for bovine TB are outlined in the 'Strategic Framework for Bovine TB Eradication in Wales':
<http://wales.gov.uk/topics/environmentcountryside/ahw/disease/bovinetuberculosis/bovinetberadication/tbstrategicframework/strategicframeworkfortberadication/?lang=en>
17. The Welsh Government received European Commission endorsement of its TB Eradication Programme as part of the UK TB Eradication Plan, which is updated and agreed on an annual basis. Although TB eradication is a long term objective, the Welsh Government is making good progress towards achieving an Officially TB Free Wales.
18. The numbers of new herd incidents reported since February 2014 to date were the lowest ever recorded in any of these months consecutively since 2008. 5,936 cattle were slaughtered for bovine TB control between June 2013 to May 2014 compared with 8,595 during the previous 12 months representing a 31 per cent decrease. (The previous 12 months referred to June 2012 – May 2013).

Animal Welfare

The Welfare of Animals at the Time of Killing (Wales) Regulations 2014

19. The Welsh Government introduced the Welfare of Animals at Time of Killing (Wales) Regulations 2014 on 20 May. The Regulations provide extensive animal welfare protection through national rules and include the derogation to disapply the stunning provisions at time of slaughter to provide for the needs for communities of faith.
20. Minor technical amendments to domestic legislation were required due to a change of reference to "a Certificate of Competence" contained within our Regulations. These came into force on 5 September.

Anti-social Behaviour, Crime and Policing Act 2014

21. The Anti-social, Crime and Policing Act 2014, introduced in May, includes many of the issues that the Welsh Government wished to see in relation to enforcement for the control of dogs.
22. The UK legislation does not have the same priority on responsible dog ownership as the policy intent behind the Welsh Government's Control of Dogs (Wales) Bill. The Welsh Government is considering how the review of existing education and training in relation to responsible ownership is to be taken forward in Wales.

Wild Animals in Circuses

23. The Welsh Government is committed to working with Defra to bring forward joint primary legislation to ban the use of wild animals in circuses in both England and Wales. We will continue to push on this important piece of UK legislation, which has yet to be formally included in the Parliamentary legislative programme.

The Agricultural Advisory Panel for Wales

24. Following the Supreme Court decision that the Agricultural Sector (Wales) Bill is within the legislative competence of the National Assembly, the Bill received Royal Assent on 30 July 2014. The Agricultural Sector (Wales) Act 2014 will retain the current level of protection for agricultural workers in Wales, promote up-skilling and professionalism and contribute to the sustainability of the agricultural sector. The Act was developed in line with Ministerial priorities and wider Welsh Government strategies including Programme for Government and the objectives of Working Smarter.
25. The Act places a duty on Welsh Ministers to establish an Agricultural Advisory Panel for Wales that will underpin the development of the agriculture industry. The Panel will advise Welsh Ministers on agricultural matters, such as retaining qualified workers and attracting new talent in the sector, as well as preparing draft Wages Orders and promoting skills development and career progression within the industry.
26. A 12 week consultation exercise seeking the public's view on the remit and constitution of the Agricultural Advisory Panel for Wales was launched on 7 August 2014 and can be found at:
<http://wales.gov.uk/consultations/environmentandcountryside/consultation-on-agricultural-advisory-panel-for-wales/?lang=en>

Common Fisheries Policy (CFP) and the European Maritime and Fisheries Fund (EMFF)

27. The key delivery mechanism for the new Common Fisheries Policy in Wales is the European Maritime and Fisheries Fund. The Welsh Government has secured a share of 8.4% of the core fund for Wales, equivalent to approximately €12,222,467 over the programme period. This is a good deal for Wales that will allow effective implementation of the CFP and help develop smart green fisheries and aquaculture in Wales in line with the vision of the Marine and Fisheries Strategic Action Plan. Work continues on implementing the programme and I expect the EMFF to open for project applications in early 2015.

28. The EC recently put forward proposals for a complete ban of all drift net fishing in EU waters. There are concerns about this and the Welsh Government will therefore be pushing for a review the current proposals, which will have a major impact on the small scale coastal fisheries in the UK.

Food Action Plan

29. 'Towards Sustainable Growth: An Action Plan for the Food and Drink Industry 2014-20' was launched on 12 June and sets out proposals to support the Welsh food and drink industry.
<http://wales.gov.uk/topics/environmentcountryside/foodandfisheries/action-plan-for-food-and-drink/?lang=en>
30. The Welsh Government has made a commitment to deliver a 30% increase in turnover by 2020. A central part of this plan is building on what is already an efficient system of business support for our food and drink industry, based on specific producer needs and supporting their development and business growth.
31. We are establishing a Food and Drink Wales Industry Board. The Board will be the representative voice of industry and will drive sustainable growth. Mr Robin Jones, Managing Director of the Village Bakery has been appointed interim Chair of the shadow Board and will soon start the process of identifying suitable Board members from across the industry.