

Climate Change, Environment, and Rural Affairs Committee

Legislative Consent Memorandum ('LCM') in relation to the UK Agriculture Bill

Submission of written evidence by Hybu Cig Cymru – Meat Promotion Wales

Hybu Cig Cymru - Meat Promotion Wales (HCC) is the statutory industry-led levy organisation responsible for the development, promotion and marketing of Welsh lamb, beef and pork. It undertakes promotional campaigns at home and abroad, is involved in research and development which benefits the efficiency and sustainability of the whole red meat supply chain, as well as collating and analysing market intelligence.

As a part of the Climate Change, Environment and Rural Affairs Committee's work on the UK Bill, regarding the new provisions requiring the Assembly's consent (namely food security, fertilisers and identification and traceability of animals, agricultural tenancies and organic products), HCC wish to specifically comment on section 32 - identification and traceability of animals. We also wish to highlight the need for levy repatriation powers and have comments on section 33 – red meat levy: payments between levy bodies in GB.

Section 32 - Identification and traceability of animals

Section 32 allows the establishment of a body which could have functions (relating to the identification of animals; collecting, managing and making available information on animal identification, movements and health) assigned to it which are in relation to England, Scotland and Wales. As such, we believe there is a risk that a body with current powers to act in only one geographical area could be granted powers in other geographic areas of the UK, thereby undermining devolved arrangements.

Section 32 also refers to requirements to establish systems for identification and registration of animals not being applicable to England. We are unclear from the wording of this section as to the implications on devolved arrangements and would ask the Committee to further investigate the rationale and implications of this.

Section 33 – Red Meat Levy: payments between levy bodies in GB

HCC is delegated by Welsh Ministers to raise the Welsh Red Meat Levy and undertake the promotion and development functions in respect of the Welsh red meat industry as outlined in the Red Meat (Wales) Measure 2010.

Statutory levy has existed in the red meat sector for a number of years to fund activities to assist with the development of this sector, notably work that would not be carried out under normal market conditions. E.g. R&D, brand marketing, market research and facilitation of market access leading to export certification. This is a result of the fragmented nature of the industry and the fact that producers in these

sectors, and in many cases processors too, are invariably too small to be able to resource such areas of work themselves.

Red meat levy (raised on all cattle, sheep and pigs slaughtered in GB) is collected at the point of slaughter (abattoirs) by the Red Meat Levy Board in that country. The levy is therefore based on the geographical location of abattoirs and not on the origin of the livestock. Levy collected at abattoirs in England, Scotland and Wales is currently used by the Red Meat Levy Board in that particular country regardless of where the animal originated.

The current methodology of red meat levy apportionment therefore fails to take into account the trading patterns that exist across GB borders. Levy paid by the producers who are breeding, rearing and finishing animals in one country may be used to fund the red meat promotional and developmental activities in another. Furthermore, the system is extremely vulnerable to changes and restructuring within the abattoir sector and the long-term trend has been towards fewer larger abattoirs located more closely to large centres of population.

Devolution of policy, strategy and delivery to the separate GB administrations means that each Red Meat Levy Board is accountable both to their respective Ministers and to their levy payers. As a result, the perceived lack of accountability and inequality within red meat levy apportionment, in regard to the benefit levy payers receive when their livestock are slaughtered in a different country, is a key consideration for the Red Meat Levy Boards in agreeing a change to the levy system.

Following a series of discussions on joint working, it has been agreed by the Red Meat Levy Boards across GB that red meat levy apportionment needs amending, so that levy is apportioned in a way which reflects the livestock production activity across England, Scotland and Wales.

The three GB Red Meat Levy Boards were tasked by GB Ministers to determine a fair and equitable methodology for future levy redistribution. This work has now concluded and an agreed methodology has been presented to GB Ministers.

Legislation is currently in place in England, Scotland and Wales to control how red meat levy can be used and as such legislative changes will be required to accommodate a new levy apportionment system.¹ The Bill makes provision to confer powers on Ministers, acting jointly, to establish a scheme that requires agricultural boards within GB to redistribute levy between themselves. HCC welcomes this provision and is content with the detail.

¹ England: Agriculture and Horticulture Development Board Order 2008.

Scotland: Quality Meat Scotland Order 2008.

Wales: Red Meat Industry (Wales) Measure 2010.