



Thank you for the opportunity to respond to the above inquiry.

Hybu Cig Cymru - Meat Promotion Wales (HCC) is the industry-led organisation responsible for the development, promotion and marketing of Welsh red meat. HCC's stakeholder representatives implement, on behalf of all Welsh farmers and other key industry participants, a strategic plan to develop profitable and sustainable markets for Welsh red meat to derive benefit for all in the supply chain.

The red meat sector (sheep, cattle and pigs) is an important primary production industry in Wales. Red meat producers represent 52 percent of active Welsh holdings and Welsh red meat production contributes the largest share towards Welsh Agricultural Output. Welsh red meat production alone accounts for 40 percent of the total Welsh Agricultural Output and was worth £635 million in 2014.

Of the 1.8m hectares of agricultural land in Wales, just under 1.5m hectares is permanent grass and rough grazing. Around 83% of the active cattle and sheep holdings are within the designated Less Favoured Areas (LFA) of Wales and these are predominantly hill and upland areas that are characterised by depopulation, poor agricultural production conditions, low incomes and a workforce dependent on agriculture.

As food producers and custodians of the landscape, Welsh red meat producers not only play a vital role in supporting the rural economy but are also integral to the sustainable management of the land upon which Welsh food and tourism industries rely.

Only 5% of red meat produced in Wales is consumed in the home market so the Welsh red meat sector is heavily dependent on UK, EU and global export markets for its products. The Welsh red meat industry is heavily reliant on global export markets to achieve premium prices and to balance supply. The total value of red meat exports in 2014 was approximately £221m. Cheaper imports and exchange rate fluctuations therefore have a significant impact on trade.

The ability for Wales and the UK to continue to trade effectively with countries both within and outside of the EU is crucial to the viability and sustainability of the rural economy and to safeguard the future economy and well-being of Wales.

What are the fundamental outcomes we want to see from agricultural, land management and rural development policies?

The aims and outcomes of any policies regarding the Welsh red meat sector must ensure that the sector meets the vision for Agriculture in Wales and is able to remain profitable, resilient and sustainable for future generations.

It is essential that agricultural, land management and rural development policies take into account the topography and quality of land available for red meat production to ensure that Wales has a level playing field within the UK, the EU and globally. They must also consider the considerable variation in farm types in Wales and meet the challenge of developing policies that can support all farming businesses.

Agricultural, land management and rural development policies must be integrated with other policies that affect our food security and our ability to maintain and extend the markets for Welsh red meat. Maintaining high standards of health and welfare and the traceability of our red meat products throughout the supply chain is essential for trade. These are underpinned by the Protected Geographical Indication Status that has been achieved for Welsh Lamb and Welsh Beef, that recognise it as a premium product and that help to achieve the associated returns. Environmental standards can support the credentials of red meat from Wales but policies must provide practical and workable frameworks through which this can be achieved.

Likewise the development of policies related to the mitigation of climate change and greenhouse gas emissions must also consider the positive benefits that livestock bring to the conservation of Wales' landscape. Compared to most other sectors emissions occur as a result of processes in natural systems which are very complex and less predictable and so much less is known about effective interventions to reduce emissions in agriculture and land use. This must be considered when developing policies that will impact on livestock production and the sustainable environment.

What lessons can we learn from current and previous policies?

Policies that influence and impact on agricultural, land management and rural development are often difficult to understand, complex to administer and easy to inadvertently fall foul of (for example, the definition of tree canopies affecting areas of productive land and determination of the percentages of land covered by bracken).

It is essential that policies that are developed benefit the industry that it serves, that they offer straightforward and effective solutions that are practical and workable as well as easy to administer and to police.

To what extent should Wales develop its own agricultural, land management and rural development policies or should it be part of a broader UK-wide policy and financial framework?

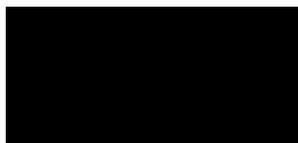
Key to success is cooperation, collaboration and communication so that policies and activities in the red meat sector are integrated and meet the long term vision for Wales with respect to the prosperity and resilience of our rural red meat businesses, equality, health (not only through lifestyle, but by preserving a landscape for recreation and for producing red meat that is a vital component of a healthy balanced diet) and global responsibility.

To achieve this Wales must be able to develop policies that reflect the unique geography and the challenges that this presents to the sectors that operate within these limitations. It is essential that Wales is responsible for its own animal health and welfare and traceability systems that underpin our ability to trade both within the UK, the EU and globally. Policies must ensure that our products meet the requirements of our export destinations and that consumers in the UK and Wales are protected by the requirement of equivalent standards for red meat imports (eg in terms of hormone use, feed additives etc).

To this end, Wales would ideally provide input to the development of GB policies that affect agriculture, land management and rural development so that wherever possible policies are consistent and should not have to retrospectively fit / adapt GB policy for use in Wales.

We hope that these comments are useful in your deliberations and would appreciate being kept informed of any further developments in this area.

Yours sincerely



Chief Executive