

Date: Wednesday 4 July 2001
Time: 2.00pm to 5.20pm
Venue: Committee Room, National Assembly Building

REPORT OF THE MINISTER FOR RURAL AFFAIRS

Foot and Mouth

1. As at 15:00 on 29 June, the total number of confirmed cases in Wales stood at 94: 56 in Powys; 13 in Anglesey; 18 in Monmouthshire; 3 in Newport; 2 in Caerphilly; and one each in Neath Port Talbot and Rhondda Cynon Taff.
2. As at 29 June, 328,328 animals had been slaughtered in Wales under the disease control measures – 33,898 cattle; 288,466 sheep; 5915 pigs; and 49 goats. A further 32,941 animals are under surveillance.
3. At close of play on 27 June, 546,373 animals from Wales were registered with the Intervention Board under the Livestock Welfare Disposal Scheme – 494,320 sheep; 7319 pigs; 44,515 cattle; and 219 goats/deer. Applications in respect of 392,504 animals have been processed to date . A further 106,199 animals are waiting to be processed. Animals withdrawn from the scheme so far total 29,492.
4. 40,551 movement licences for welfare purposes have been issued in Wales to date. These include 11,580 occupational licences; 17,505 local licences; and 11,466 licences under the longer distance movement scheme. In addition, 1140 licences have been issued permitting the movement of animals onto common grazing land.
5. As far as compensation is concerned, claims from Welsh producers totalling over £48 million have been processed to date with only one livestock compensation claim outstanding.

Meeting with Rt Hon Margaret Beckett MP

6. I shall be meeting the new Secretary of State for the Environment, Food and Rural Affairs on 4 July to discuss matters of mutual interest and in particular the many urgent issues we are facing in our efforts to rebuild the industry. I have also invited the Secretary of State to make an early visit to Wales to see at first hand the problems that Welsh farmers are facing and how we are trying to address them.

Proposed 20 day movement standstill for cattle, sheep and goats

7. In conjunction with other UK agriculture departments, we are still carefully considering the responses

received in the consultation which closed on 11 June. DEFRA have received over 14,000 responses to their consultation and have informed us that a large number of standard responses (3,699) actually came from respondents in Wales. These are in addition to consultation responses received by the Assembly direct and copied to members at the last meeting.

Agreement on beef package

8. The Agriculture Council reached agreement on 19 June to modify the EU beef market in the light of the drop in demand in mainland Europe arising from consumer concern about BSE - the so-called 7-point beef action plan.

9. The deal, designed to promote extensive beef production, represents a political compromise given the competing interests of Member States and is the best that could have been negotiated in the circumstances. The UK obtained special concessions due to the foot and mouth problems. The hardest aspect of the Commission proposals was that Suckler Cow Premium Claims would have to have a minimum of 20% heifers and would have forced a sharp cut in beef production from suckler cow herds, precisely the kind of top quality, grass fed, environmentally friendly production we need to keep.

10. The UK, however, has secured a special deal. In 2002, the UK will be completely exempt from the requirement to include heifers in suckler cow claims, and in 2003 the requirement for the UK will only be 5%. From 2004 onwards, the requirement to include heifers does not apply (anywhere). The UK have therefore managed to avoid the requirement to make any significant cuts in sucker cow production. This is good news for Welsh farmers and for our strategy of producing top quality beef

Business Partnership Council

11. Last Friday, 29 June, I attended the National Assembly's Business Partnership Council (BPC) meeting in Cardiff to discuss foot and mouth related issues. The BPC comprises key members from the business community, including the CBI, Huw Richards, President of the NFU, as well as certain Assembly Members. Underlining the importance which the Cabinet attaches to the Council, the meeting was chaired by the First Minister.

12. The Wales Tourist Board and the Federation of Small Businesses submitted the results of two surveys on the impact of the FMD outbreak on tourism and other small businesses while the NFU submitted a more general paper on the economic impact on the agricultural sector. We had a very useful discussion in this forum and suggestions and conclusions will be reflected in the post FMD Recovery Plan which will be produced shortly.

LEADER+

13. I am pleased to inform the Committee that the Wales LEADER+ Single Programming Document was approved by the European Commission on Monday 2nd July. This is the first of the four UK

programmes to be approved since the Commission is still considering the programmes for England, Northern Ireland and Scotland. This programme will bring an additional 14.7 million Euros to rural Wales over the next six years (approximately £9.23m at an exchange rate of 0.625).

14. We have received fourteen applications from Groups wishing to participate in the LEADER+ programme, and these are currently being appraised. I intend to announce a list of successful groups before the end of July.

BSE Testing Programme

15. The BSE Monitoring (Wales) Regulations 2001 will come into force on 1 July 2001.

16. Farmers will be legally required to report the deaths of all fallen cattle aged over thirty months within 24 hours. These carcasses will be collected from the holding free of charge and a sample will be taken. Casualty cattle, that is injured or sick animals which are eligible for the Over Thirty Months Scheme, will also be sampled under the Scheme.

17. The introduction of BSE testing of all fallen stock and casualty cattle over the age of thirty months begins will form a major part of the UK's testing programme for BSE in line with EU requirements.

National Scrapie Plan - Phase 1

18. The National Scrapie Plan has been developed by the GB Agriculture Departments to breed resistance to scrapie, a TSE and thereby reduce and ultimately eradicate scrapie from the national flock. This approach also addresses the theoretical risk that BSE has transmitted to and survived in the national flock, masked by scrapie.

19. Phase 1 is a ram genotyping scheme aimed at owners of pedigree breeding flocks registered with a recognised breed society. Farmers who sign up to the scheme will have up to 40 sheep blood tested and this will determine the sheep's susceptibility or resistance to scrapie. They will eventually be required only to use rams with the most scrapie resistant genes.

20. The UK Government will meet the cost of genotyping, electronic identification and certification. Farmers will be required to cull or castrate sheep with the most susceptible genotype to prevent their use for further breeding. Expressions of interest forms will be sent out in July and from these application forms will be sent out. Blood testing is planned to take place in late August with tests being processed by laboratories in September.

Visit to Belfast

21. On 26 & 27 June, I visited Northern Ireland. My programme included meetings with Brid Rodgers, the Minister for Rural Affairs and with the Northern Ireland Executive's ARD Committee. I was also

given a briefing by officials on the FMD situation in the province. On 27 June, I addressed the UK LEADER Network Conference and visited a meat plant in Newry.