

Rural Development sub-Committee

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Evidence from NFU Cymru

Rural Development Sub-Committee Inquiry into Animal Welfare and Meat Hygiene at Abattoirs and Slaughterhouses in Wales

Introduction

1. NFU Cymru represents an estimated 21,050 farmers, managers and partners in businesses in Wales. In addition we have 4,200 countryside members with an interest in farming and the countryside. NFU Cymru welcomes the opportunity to submit comments on the Sub Committee's Inquiry into Animal Welfare and Meat Hygiene at abattoirs and slaughterhouses in Wales.
2. The Welsh meat sector is a vital component of the economy in Wales, WAG figures suggest that Welsh red meat production contributed 39% of the total value of Welsh agricultural output worth £363million (2007). Abattoirs, slaughterhouses and their related processing facilities provide employment to thousands of people throughout Wales.
3. During the last decade livestock farmers have faced extreme volatility in market prices, severe hikes in input costs and an increase in bureaucracy. These same issues have impacted upon Welsh abattoirs as they struggle to remain in business as a result of increased costs and enhanced pressure from retailers. This is reflected in the number of abattoirs which remain in operation today - some 24, far short of the 58 abattoirs in operation in 1990.
4. The role of Welsh abattoirs remains a vital component of the Welsh agricultural and food industries, providing the link in the chain where the produce of Welsh farms is processed and prepared to reach the end consumer. Our larger abattoirs and slaughterhouses have developed close links with the major UK retailers and Wales' smaller abattoirs and slaughterhouses offer an invaluable service in supplying meat to local butchers and niche markets.
5. In terms of Animal Welfare and Meat Hygiene at abattoirs and slaughterhouses in Wales NFU Cymru believes that both issues are of paramount importance as it ensures consumer confidence in our produce and safeguards public and animal health. NFU Cymru does however believe that regulation and inspection regimes must be proportionate and are in no way duplicated. We also must ensure that regulations in Wales are not gold plated and in particular similar standards are applied to meat imported to be sold in this country.
6. Protection of consumer health against any risks which may arise from food should not in our view, be dependent on changed economic circumstances or the ability of an industry to pay. NFU Cymru has concerns that presently the FSA appear to be making efforts to pass significant additional costs to industry. Given that historically any additional costs to meat controls are passed back to primary producers rather than reflected in the retail price of meat NFU Cymru has concerns at the potential impact this will have on farm gate profitability.

Questions for the Inquiry into Animal Welfare and Meat Hygiene at Abattoirs and Slaughterhouses in Wales:-

How effective are the current enforcement structures on animal welfare and meat hygiene standards in abattoirs and slaughterhouses?

7. NFU Cymru recognise that the official meat controls and enforcement structures provide assurances to the general public that slaughterhouses and abattoirs produce meat for human consumption that is safe, whilst at the same time ensuring that animal health and welfare requirements at slaughter are adhered to. NFU Cymru firmly believes that the protection of public health and consumer confidence and the ability of our abattoirs and slaughterhouses to operate to the highest possible meat hygiene animal welfare standards are paramount.
8. NFU Cymru is however opposed to any increased cost charging to industry. NFU Cymru believes that industry, the FSA Wales and WAG must continue to seek for efficiencies to be made throughout the entire supply chain to drive out unnecessary regulatory bureaucracy and costs which will benefit industry, Government and the taxpayer rather than foist further cost onto the meat industry in Wales.
9. The FSA Board has recently approved a paper (Future Funding of UK Meat Controls) giving the FSA the mandate to review its policy on the future funding of UK meat controls. The FSA will shortly begin dialogue with the food industry and other stakeholders on this issue before providing advice to Ministers. FSA figures suggest that at present industry pays 35% towards the costs of controls, approx £24m of the total £69m cost. (DEFRA pays £20m and £25m is funded by the FSA. The FSA believe that it should no longer provide subsidy for meat controls in the UK.
10. The FSA have estimated that if the entire cost of meat controls and inspections were passed back to the farmer/producers it would cost an additional £4.54 per beef animal, 45pence per sheep, 65 p per pig and 80 p per chicken. In a properly functioning supply chain these costs would not necessarily be picked up by the primary producer but historically the retailer has not been prepared to account for these costs in the retail price for meat, therefore NFU Cymru is concerned that these costs will impact directly on farmgate profitability. It is important to remember that these additional costs to the farmer should not be taken in isolation they happen as many other new

regulatory costs are being picked up by producers e.g. EID, Environmental regulatory costs etc.

11. A change to the current arrangements and the removal of subsidy will also place the future of smaller and geographically isolated slaughterhouses within Wales in jeopardy as meat hygiene costs are disproportionately higher within these facilities and without subsidy many more will no doubt cease trading. This will have a significant impact on local butchers and niche markets. It is also important to note that for each abattoir that closes in Wales there is the potential for more animals to be slaughtered outside Wales, this will impact on the amount of Levy available for HCC to market and promote Welsh meat.

How should veterinary supervision arrangements be delivered in abattoirs and slaughterhouses in Wales?

12. NFU Cymru believes that there must be a continued joint Government, FSA and industry effort to change EU regulation that governs the level of official controls required by external inspection bodies within meat plants.

13. NFU Cymru firmly believes that Food Business Operators (FBO's) should have a much greater responsibility for inspection regimes in abattoirs and slaughterhouses in Wales. We believe fully trained internal FBO staff could be utilised on issues such as SRM controls and rejection assessments on the kill line.

14. The MHS inspector role should then, in our opinion, carry out the role of 'policing' whereby areas of concern recognised by the internal FBO inspections and MHS random checks are resolved by the involvement of the MHS. This in turn will ensure that procedures in place are working correctly and effectively.

15. NFU Cymru believe that if the FSA is intent on passing the full cost of meat controls back to industry then the relevant Welsh Ministers should investigate whether the Welsh Assembly Government can intervene to ensure that the abattoir sector both small and large in Wales can thrive.

How effective is the relationship between the Meat Hygiene Service and the industry?

16. NFU Cymru believes that in order to make further efficiencies and cost savings, the MHS and industry have to work together in order to drive out disproportionate controls whilst ensuring that public safety is not jeopardised. It is vital that the MHS delivers a truly risk based proportionate meat hygiene regime in terms of policy, regulation and enforcement.

17. NFU Cymru has a good working relationship with the MHS and FSA Wales and attends stakeholder meetings to discuss issues that impact on primary producers directly or indirectly.

18. The FSA decision to agree to support the move to increase the BSE testing age requirement for cattle slaughtered for human consumption from 30 months to 48 months on the 1st January 2009 was most welcome and an excellent example of the FSA and industry working together to bring a more proportionate regime without in any way impacting on public health. The raising of the testing age is estimated to have reduced the number of tests by more than 100,000 per annum and savings in the region of £1.1million - to the benefit of the industry, the taxpayer and the consumer.

19. We believe that the FSA should now work closely with industry to prepare a strong case for UK Ministers to proactively seek a review of the current SRM controls across all species at an EU level, thereby reducing the amount of SRM inspections and controls at meat plants.

20. The BSE incidence rate is decreasing year on year and key controls to protect public health will remain in place along with controls on animal feed which is the key to protecting animal health. As a start we believe that the FSA should be preparing a case to amend the level of SRM controls on Cattle aged between 30 and 48 months to bring this into line with the testing age. The next steps then would be to further increase the BSE testing age for cattle slaughtered for human consumption from 48 months to 60 months or beyond. These moves would deliver further savings to both industry and the taxpayer without impacting on public health.

21. There are also concerns within the industry regarding the SRM controls for sheep, these have been in place in the UK since 1996 and require the removal of the spinal cord in all sheep aged over 12 months of age. BSE has never been found in the UK sheep flock and EU scientific evidence shows that sheepmeat poses negligible risk to public health; NFU Cymru firmly believes that the EU regulation with regards to TSE controls and how they affect sheep needs to be amended.

22. The financial and practical implications of this regulation are not insignificant, this regulation is no longer based on sound science and the FSA have an important role to play in helping to secure the removal of this unnecessary and costly requirement.

23. Lamb carcass splitting is costing producers in Great Britain between £23m and £34m a year according to economic analysis carried out by AHDB Red Meat Market Intelligence for the NFU. Based on GB sheep production figures we can estimate that a quarter of these lambs would come from Wales, this shows a significant cost burden on the Welsh sheep industry - as much as £8.5million - this affects the competitiveness of the Welsh sheep sector in Europe and beyond.

24. Even without a change to EU regulation it would seem that the UK is not operating on a level playing field with the rest of Europe where a number of other member states remove the spinal cord by other means, such as via suction which does not devalue the carcass. This is not the case in the UK where the current system of carcass splitting can devalue the product by up to 80%, we are disappointed that the FSA do not allow other methods of spinal cord removal to be practised in the UK and feel that the FSA and WAG could be a lot more proactive in helping to resolve this issue.

Could the Welsh Assembly Government take any further action to ensure the proper implementation of

relevant legislation on meat hygiene and animal welfare and slaughterhouses in Wales?

25. NFU Cymru does not wish to see any abattoir facing any increased unnecessary costs or additional inspections. We recognise that the MHS has already reduced its operating costs from £91m in 2006/07 to £69m in 2009/10 but as we have already highlighted our desire is to see further efficiencies brought in to current inspection and regulatory regimes. We are particularly concerned at the impact the potential increased transfer of costs to industry will have on low throughput and geographically remote abattoirs. We are very concerned by FSA proposals to remove all subsidy to abattoirs and slaughterhouses in the UK, there is no doubt that if this comes to fruition we will see a further reduction in the number of abattoirs in Wales.

26. Devolved Ministers last year prevented a proposed 4% increase in MHS charges a move welcomed by NFU Cymru as we were concerned at the effect that this increase would have during the prevailing economic climate. Welsh Ministers therefore have an influential role to play in supporting Welsh abattoirs from the threat of increased costs and changes in inspection regimes and we hope that again this influence will be used when proposals from the FSA for the future funding of meat controls in GB are discussed.

27. NFU Cymru believe that WAG should investigate whether there are economies that could be made if responsibility for the implementation and enforcement of meat hygiene and animal welfare

Legislation in slaughterhouses in Wales was to be transferred to the WAG / NAW rather than be dealt with on a GB level through the FSA. We believe that a review should be instigated to investigate the pros and cons of such a move. There does appear to be an anomaly where the WAG has devolved responsibility for Agriculture and a measure is currently going through the NAW (Red Meat Industry (Wales) Measure) which will transfer responsibility for the promotion and marketing of Red Meat in Wales to Welsh Ministers. It is in some ways odd that NAW / WAG do not have greater responsibility and autonomy for the legislation and enforcement of meat hygiene and animal welfare at slaughterhouses in Wales.

28. NFU Cymru believes that the review should consider bringing the current functions of the MHS in Wales under the responsibility of WAG with the equivalent proportion of the UK budget given to WAG. This would then allow WAG to consider changes to the inspection regime and charging rate albeit this would be restricted by EU regulation on inspection and minimum charging rates. We believe that such a review would be worth undertaking to see whether or not efficiencies in terms of cost and reduced regulation in Wales could occur from WAG / NAW taking greater control of meat controls in Wales.

29. NFU Cymru believes that there is an opportunity for the Welsh sheep sector to benefit significantly from the legalisation of the sale of skin on sheep meat (smokies) and potentially other food products for ethnic markets in the UK. Ethnic market offers great potential to increase both the quantity and value of sales of meat from Wales, it is important that legislation whilst ensuring public health and animal welfare are not compromised does not discriminate against the needs and beliefs of these communities.

30. Research carried out by Hybu Cig Cymru, for Food Standards Agency Wales has highlighted that the legal production of skin on sheep meat could be worth more than £3million to the red meat industry in Wales alone. The report estimates that 155,000 cull ewe carcasses could be used for this product every year, generating new income for the entire supply chain. Research so far by the FSA has shown that Skin on sheep meat can be produced safely and we believe that concerted lobbying by the WAG, the FSA and industry is needed to initiate a change to the EU regulation to legalise this product.

Conclusion

31. Whilst NFU Cymru fully recognise the importance of legislation and proper enforcement to protect public health and animal welfare at slaughterhouses in Wales we believe that there are a number of opportunities to deliver further cost saving and a more proportionate legislative regime. We recognise that EU legislation provides a barrier to some of these potential changes and that industry, WAG and FSA Wales need to jointly work together to bring about changes at an EU level.

32. We are concerned at the potential impact of proposals by the FSA to pass the entire costs for meat controls to the industry in Wales. NFU Cymru believes that as many of the elements of meat hygiene are for the benefit of public health, these benefits in turn, should be reflected in a tax payer contribution to these controls.

33. We believe that WAG should investigate whether any economies and efficiencies could be made from NAW/ WAG taking over responsibility for legislation, enforcement and charging of meat controls in Wales from the MHS.