



**Cynulliad Cenedlaethol Cymru  
The National Assembly for Wales**

**Yr Is-bwyllgor Datblygu Gwledig  
The Rural Development Sub-committee**

**Dydd Iau, 14 Ionawr 2010  
Thursday, 14 January 2010**

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Cofnodir y trafodion hyn yn yr iaith y llefarwyd hwy ynndi yn y pwyllgor. Yn ogystal,  
cynhwysir cyfieithiad Saesneg o gyfraniadau yn y Gymraeg.

These proceedings are reported in the language in which they were spoken in the committee.  
In addition, an English translation of Welsh speeches is included.

**Aelodau'r is-bwyllgor yn bresennol**  
**Sub-committee members in attendance**

Mick Bates	Democratiaid Rhyddfrydol Cymru Welsh Liberal Democrats
Rhodri Glyn Thomas	Plaid Cymru The Party of Wales
Joyce Watson	Llafur Labour
Brynle Williams	Ceidwadwyr Cymreig Welsh Conservatives

**Eraill yn bresennol**  
**Others in attendance**

Ed Bailey	Is-lywydd, NFU Cymru Vice President NFU, Cymru
Peter Hewson	Cymdeithas Cyflenwyr Cig Annibynnol Association of Independent Meat Suppliers
Gwyn Howells	Hybu Cig Cymru Hybu Cig Cymru
Sion Aron Jones	Hybu Cig Cymru Hybu Cig Cymru
Dylan Morgan	Dirprwy Gyfarwyddwr, NFU Cymru Deputy Director NFU Cymru
Don Thomas	Hybu Cig Oen ac Eidion Cymru Welsh Lamb and Beef Production

**Swyddogion Cynulliad Cenedlaethol Cymru yn bresennol**  
**National Assembly for Wales officials in attendance**

Aled Elwyn Jones	Clerc Clerc
Meriel Singleton	Dirprwy Glerc Deputy Clerk

*Dechreuodd y cyfarfod am 12.59 p.m.*  
*The meeting began at 12.59 p.m.*

**Ethol Cadeirydd Newydd**  
**Election of a New Chair**

[1] **Mr Jones:** Prynawn da a chroeso i gyfarfod cyntaf y flwyddyn hon o'r Is-bwyllgor Datblygu Gwledig. Yr eitem gyntaf ar yr agenda yma yw ethol Cadeirydd newydd. Felly, yn unol â Rheol Sefydlog Rhif 10.18, gofynnaf am enwbiadau ar gyfer Cadeirydd i'r is-bwyllgor.

**Mr Jones:** Good afternoon and welcome to the first meeting of the year of the Rural Development Sub-committee. The first item on the agenda is the election of a new Chair. Therefore, in accordance with Standing Order No. 10.18, I ask for nominations for the Chair of the sub-committee.

[2] **Brynle Williams:** Enwebaf Rhodri Glyn Thomas.

**Brynle Williams:** I nominate Rhodri Glyn Thomas.

[3] **Mr Jones:** Diolch yn fawr. A oes unrhyw enwebiadau eraill? **Mr Jones:** Thank you very much. Are there any other nominations?

[4] **Joyce Watson:** I have no nomination to make, but I will not be voting for Rhodri Glyn Thomas.

[5] **Mr Jones:** Nid oes angen pleidlais gan nad oes enwebiadau eraill. Diolch yn fawr iawn. Gofynnaf i Rhodri Glyn Thomas gymryd y gadair. **Mr Jones:** There is no need for a vote as there are no other nominations. Thank you very much. I ask Rhodri Glyn Thomas to take the chair.

[6] **Joyce Watson:** I would like it to be minuted that I do not support his becoming the Chair. That is pretty important to me.

[7] **Mr Jones:** It will be minuted.

1.00 p.m.

### **Cyflwyniad, Ymddiheuriadau a Dirprwyon Introduction, Apologies and Substitutions**

[8] **Rhodri Glyn Thomas:** Diolch yn fawr i fy nghyd-aelodau am fy enwebu. Hoffwn, yn fyr iawn, ategu'r cyfan y bu i Mick Bates ddweud am gyfraniad Alun Davies fel Cadeirydd yr is-bwyllgor hwn. Mae gwaith eithriadol o bwysig wedi'i gyflawni dros gyfnod bodolaeth yr is-bwyllgor hwn. Nid oeddwn yn aelod o'r is-bwyllgor ar y cychwyn, ond yr wyf wedi treulio cyfnod go faith arno erbyn hyn. Mae'r holl waith wedi'i wneud yn arbennig o dda dan arweiniad Alun. Gyda'ch caniatâd, ysgrifennaf lythyr ar ran y pwyllgor yn ei ddiolch am ei gadeiryddiaeth ac am y gwaith a gyflawnodd fel Cadeirydd. **Rhodri Glyn Thomas:** I thank my fellow members for nominating me. I would briefly like to support everything that Mick Bates said about Alun Davies's contribution as Chair of this sub-committee. Extremely important work has been undertaken over the life of this sub-committee. I was not a member of the sub-committee at the start, but I have spent a considerable time as a member of it by now. All of the work has been done exceptionally well under Alun's leadership. With your permission, I will write a letter on behalf of the committee to thank him for his chairmanship and for the work that he did as Chair.

[9] **Brynle Williams:** Cefnogaf hynny a hoffwn ddiolch i Alun am y gwaith y mae wedi ei wneud. **Brynle Williams:** I support that and would like to thank Alun for the work that he has done.

### **Ymchwiliad i Les Anifeiliaid a Hylendid Bwyd: Sesiwn Dystiolaeth—NFU Cymru**

#### **Inquiry into Animal Welfare and Meat Hygiene: Evidence Session—NFU Cymru**

[10] **Rhodri Glyn Thomas:** Croesawaf i'n plith Dylan Morgan, dirprwy gyfarwyddwr a phennaeth polisi NFU Cymru ac Ed Bailey, is-lywydd NFU Cymru. Fel y gwyddoch, yr ydym yn cyflawni ymchwiliad cymharol fyr i les anifeiliaid a hylendid cig. Yr ydych wedi cyflwyno papur, ond byddwn **Rhodri Glyn Thomas:** I welcome Dylan Morgan, the deputy director and head of policy for NFU Cymru and Ed Bailey, the vice president of NFU Cymru. As you know, we are undertaking a relatively short inquiry into animal welfare and meat hygiene. You have presented a paper, but we would be

yn ddiolchgar am ychydig eiriau yn cyflwyno eich papur. Yna, bydd Aelodau yn gofyn cwestiynau ar sail y dystiolaeth yr ydych wedi ei chyflwyno.

grateful if you could say a few words to introduce your paper. Members will then ask questions based on the evidence that you have presented.

[11] **Mr Bailey:** Hoffwn eich llongyfarch am gael eich ethol fel Cadeirydd yr is-bwyllgor.

**Mr Bailey:** I would like to congratulate you on your election as Chair of the sub-committee.

[12] I thank the sub-committee for undertaking this inquiry and for asking NFU Cymru to provide both written and oral evidence on it. Abattoirs in Wales play a vital role in the growth and development of the Welsh agri-food sector, processing farm produce into a product for the end consumer to enjoy. Large abattoirs have developed close links with the major UK retailers, which now source significant amounts of lamb and beef from Wales. Our smaller facilities offer an invaluable service in supplying meat to local butchers and niche markets.

[13] The maintenance of the highest standards of animal welfare and meat hygiene are of paramount importance to everyone involved in the production and processing of meat in Wales. We recognise that regulation and inspection regimes have a role to play in assuring the consumer that our produce is produced to the highest standard and is safe to eat. However, regulation enforcement must be proportionate and efficiencies must be found wherever possible. We recognise that the Meat Hygiene Service has reduced its operating costs by £21 million since 2006, but we believe that more savings can be made. We also recognise that much of the legislation determining meat controls is made at an EU level, which is why we believe that the industry, the Welsh Assembly Government and the Food Standards Agency in Wales need to work closely to lobby to amend the EU legislation. We believe that this is particularly relevant for current specified risk material controls in both cattle and sheep, and for changes to be made to allow the legislation of skin-on sheep meat, also known as 'smokies'.

[14] We have concerns about FSA proposals to review its policy on the funding of UK meat controls and its belief that it should no longer provide any subsidy for meat controls in the UK. We firmly believe that, since meat controls are predominantly for the benefit of public health, these benefits should be reflected in a taxpayer contribution to these controls. We are particularly concerned at the impact that the potential increased transfer of costs will have on small and geographically remote abattoirs in Wales.

[15] The Welsh Minister played an influential role last year in preventing the proposed 4 per cent increase in MHS charges. We hope that the Welsh Assembly Government will have a similar influence this time in helping to protect and safeguard the Welsh abattoir sector from increased costs. To take this one step further, NFU Cymru believes that the Welsh Assembly Government should investigate whether any economies could be made if full responsibility for the implementation and enforcement of meat hygiene and animal welfare legislation in slaughterhouses in Wales were to be transferred to the Welsh Assembly Government and National Assembly for Wales, rather than being dealt with at a GB level by the Food Standards Agency. We believe that a review of the pros and cons would be a worthwhile exercise.

[16] **Rhodri Glyn Thomas:** Diolch yn fawr iawn am y sylwadau agoriadol hynny, Mr Bailey. Yn awr, gofynnaf i Brynle Williams ofyn cwestiynau sy'n ymwneud â chostau'r broses arolygu.

**Rhodri Glyn Thomas:** Thank you very much for those opening remarks, Mr Bailey. I will now ask Brynle Williams to ask questions relating to the costs of the inspection process.

[17] **Brynle Williams:** Good afternoon, gentlemen. In your view, what would be the

impact of the proposals made by the Food Standards Agency to reduce and eventually remove the subsidy currently provided for the operation of UK meat controls?

[18] **Mr Bailey:** There would be two main impacts, I think. The first would be the pressure put on the smaller slaughterhouses, which is relevant. It is important to note that 34 slaughterhouses have closed in Wales since 1990, as included in our written evidence. So, that is one issue. The other issue is that costs would invariably be passed back to the primary producer, which is the farmer.

[19] **Brynle Williams:** Could you expand a little on that for the benefit of the committee? If we lose more slaughterhouses, what are the implications likely to be?

[20] **Mr Bailey:** In this day and age, we are told that such things as food miles are important, in the first instance. The smaller slaughterhouses tend to cater for local butchers and niche markets, which are very important to the Welsh meat industry. Consequently, given that animals have to travel maybe 100 to 150 miles to be slaughtered—and it is easily that in some cases, if not more—only to be brought back to local butchers' shops, it seems to detract from our aim in Wales of offering a green product with low food miles that can be sold locally.

[21] **Mr Morgan:** It is worth looking at the True Taste Food and Drink Awards recently held in Abergavenny, and how many small producers applied for those awards. All those companies need the small, local abattoirs to be able to build up their products. The larger abattoirs that take the vast majority of our meat in Wales have very close links with the major retailers. That is where they concentrate their work. The small ones are vital for continuing to build, grow and develop niche markets and to promote the agri-food industry in Wales in general.

[22] **Brynle Williams:** As you pointed out, there is also the welfare issue to consider. To move on—

[23] **Rhodri Glyn Thomas:** Cyn inni **Rhodri Glyn Thomas:** Before we move on, symud ymlaen, mae Mick Bates eisiau dod i Mick Bates wants to come in on this mewn ar y cwestiwn hwn. question.

[24] **Mick Bates:** I wonder whether you could you give us the costs that are currently paid. In your paper, you point to the increase, but what are the costs currently paid by producers who sell beef animal, lamb and poultry?

[25] **Mr Bailey:** With respect, Mr Bates, some of these questions are probably better asked of the people who are giving evidence following us, as they probably have more knowledge of these issues. However, I know that, often enough, the costs outlined in the written evidence are additional costs, as you pointed out. To have a beast slaughtered in an abattoir is a pretty expensive process. We are talking about £50 or £60 in some cases. To have this additional cost only adds to the burden, as you are well aware.

[26] **Mick Bates:** Could you provide us with the costs?

[27] **Mr Bailey:** We can provide you with the costings, but I do not know them at present.

[28] **Mr Morgan:** It is very difficult to provide costs for those sorts of things. Ed highlighted the cost of having your animal slaughtered if you pay privately. Turning to some of the other controls, spinal cord removal from lambs can devalue the price of a lamb on the market by between 60 and 80 per cent, on occasion. At the start of this year, when the age at which animals are tested for BSE was changed from 30 months to 48 months, the specified

risk material controls remained in place for the animals of that age. That affected the value of the beast on the market by between £60 and £100, on many occasions. Those are the sorts of costs that we are talking about. On top of that, you have the subsidy here that goes back to the industry, which is worth about £69 million.

[29] **Mick Bates:** I will return to the SRM a little bit later.

[30] **Brynle Williams:** In your evidence, you state that the industry, the Food Standards Agency and the Welsh Assembly Government should seek further efficiencies. Could you give the committee any examples of areas in which further efficiencies could be achieved, please?

1.10 p.m.

[31] **Mr Bailey:** We certainly believe that there could be further efficiencies in the Meat Hygiene Service, but what we are really pointing out is the issue that Dylan has just raised, namely efficiencies and cost savings in the system. We recognise that that will require a change in European Union legislation, but we believe that the industry, the National Assembly for Wales, the Welsh Assembly Government, the MHS and the FSA could go to Europe to lobby for reducing the cost. Without wanting to repeat what has been said already, once a lamb's teeth have started to come through—and you will know this as well as anyone, Brynle—its cost can be reduced by at least 50 or 60 per cent as its spinal cord will certainly need to be removed. In France, apparently, they can remove the spinal cord using a suction method, but we are not allowed to do that in the UK. We have to split the carcass, which adds costs. So, there should be some levelling out of the regulation in that respect. We have had the BSE control regulations in place since 1996. In that time, we are glad that the age has been increased to 48 months, but the regulations still apply to animals aged from 30 to 48 months. We feel that it is now time to increase that, possibly up to 60 months, and then apply the regulations to those aged between 48 and 60 months.

[32] **Mr Morgan:** In addition, on the efficiencies, we think that the food business operator should be able to carry out a lot more of the day-to-day checks and controls. The MHS should have more of a policing role, checking that the work is being done. At the moment, the MHS is on the line too much, carrying out all the practical checks, rather than checking that the food business operators are carrying them out. The poultry sector has gone a little further down that line than the red meat sector in that regard. An example of that and of things having changed for the better on the red meat side is the dental checks for sheep when the two incisors emerge. Last year, there was a move to allow the food business operator to do that rather than the MHS, which has resulted in some savings in the system. It is about looking to do more things like that. The MHS should be there just to audit, check and deal with problems when they arise, rather than being on every part of every slaughter line in every slaughterhouse in Wales. That is where further efficiencies could be worked into the system.

[33] **Brynle Williams:** I am concerned by your comment, Ed, that France is allowed to use a vacuum for removal of the spinal cord. To get this on the record, it should be the same throughout Europe. I do not see why the meat industry in Wales or the UK should be at such a disadvantage, because, as you said, it is a massive disadvantage to have to split the carcass.

[34] **Mr Bailey:** With respect, it is not only that. Since 1996, they have been testing for SRM in sheep, but they have never found any BSE. We heard the Minister say the other day in her statement on TB controls that she is following the science—and quite rightly so—but, in this respect, the science is not being followed. We are pursuing the fear rather than science, as the science is clearly telling us that there is no risk. Work that has been done in Europe confirms that there is no risk, but we are still following that. You were right to say that there is no level playing field for Wales and the UK as compared with other places on the

continent.

[35] **Rhodri Glyn Thomas:** Hoffwn droi eich sylw at y ddeddfwriaeth bresennol ar hylendid cig a lles anifeiliaid. A ydych yn credu ei bod yn effeithiol? Gwn fod hwnnw'n gwestiwn cyffredinol iawn ond, ar y cyfan, a yw'r ddeddfwriaeth yn effeithiol? Os na, sut yr ydych yn credu y gellid ei diwygio i'w gwneud yn fwy effeithiol?

**Rhodri Glyn Thomas:** I want to draw your attention to the current legislation on meat hygiene and animal welfare. Do you believe that it is effective? I know that it is a very general question, but, on the whole, is that legislation effective? If not, how do you think that it could be reformed to make it more effective?

[36] **Mr Morgan:** Credwn fod y ddeddfwriaeth sydd gennym ar les anifeiliaid yn effeithiol. Ar ben hynny y mae'r cynllun gwarant ffermydd, ac yr wyf yn siŵr y bydd Don Thomas yn gallu siarad mwy am hynny nes ymlaen. Fodd bynnag, credwn fod yr holl ddeddfwriaeth sydd mewn grym gan Lywodraeth y Cynulliad ac ym Mrwsel yn iawn.

**Mr Morgan:** We believe that the legislation that we have on animal welfare is effective. In addition to that, we have the farm assurance scheme, and I am sure that Don Thomas will be able to say more about that later. However, we think that all the legislation that is in force from the Welsh Government and from Brussels is fine.

[37] **Mr Bailey:** With respect, it is also important for us to know that it is effective, because we are at the forefront, at the coalface. We are producing what we consider to be a quality product, and the last thing we want is for the legislation not to be effective. We feel that the control should be effective and we feel that they are. It is hard to see how they could be more effective. Brynle just raised the question of gold-plating the standards in the UK, as opposed to the level that is acceptable on the continent.

[38] **Rhodri Glyn Thomas:** Mae hynny'n ateb y cwestiwn ar ei ben. Trown yn awr at strwythurau'r broses adolygu, ac mae gan Joyce Watson gwestiynau am yr adran honno.

**Rhodri Glyn Thomas:** That answers the question amply. We will now turn to the structures of the reviewing process, and Joyce Watson has some questions about that section.

[39] **Joyce Watson:** In your evidence—and you have already talked about it this afternoon, but I want to give you an opportunity to put it on the record—you state that food business operators should have much greater responsibility over the inspection regime. You have touched on this but, for the record, could you tell the committee why you believe that that would be beneficial?

[40] **Mr Morgan:** A food business operator could carry out those controls for a far lower cost than a Government agency. Civil servants will incur far greater costs, such as pensions and so on, than a food business operator. Food business operators already have a number of people doing the work on the line, so it would just be a little add-on to what they are currently doing. Allowing the food business operators to be in charge and in control of more of that would allow the MHS staff to stand back a little, walk along the line, and ensure that what they need to do within their responsibilities is being done. Where there are issues of concern, they can concentrate their resources on those rather than trying to be on every part of the production line in every abattoir and slaughterhouse in Wales. It is to do with focusing resources on where they are needed to ensure that things are correct, rather than being everywhere all the time. You do not see that in the police force, for example. That is the type of role that they are there to carry out.

[41] **Joyce Watson:** This committee has received other evidence to suggest that a move to further self-regulation would lead to decreasing meat hygiene standards and a loss of



impartiality when decisions are made about the fitness of carcasses for human consumption. To what extent do you recognise those concerns?

[42] **Mr Bailey:** In the first place, without having seen the evidence, it would be difficult to comment on it, but I will take what you have said on board. If something sub-standard is traced back to a particular slaughterhouse or farm—and these things are quite possible and will become much more so in the future, especially in the next 12 months—it will have an impact on our reputation. The reputation of the Welsh food industry, as Dylan has already pointed out, is second to none. That is the last thing we want to see happening, so we do not say it lightly. To maintain the viability of slaughterhouses, and particularly the small ones, we feel that a policing role would be far more preferable to a constant presence. In that way, the future of the houses would be secured, too, particularly the smaller ones.

[43] **Mr Morgan:** We need to remember that farm assurance is a strong part of all the links in the food chain, including most abattoirs and slaughterhouses, so it is not only farmers who adhere to farm assurance. Abattoirs and slaughterhouses, in the main, are also members of various farm assurance schemes. They are also audited significantly by their purchasers, the retailers, to ensure not only that they adhere to but that they go beyond the regulations currently in place.

[44] **Rhodri Glyn Thomas:** The evidence that we received was from the Association of Meat Inspectors. Its fear was that, with self-regulation, the element of impartiality could be undermined.

[45] ‘We believe that every carcase produced should be subjected to a full and thorough post-mortem inspection and an informed and crucially, an impartial judgement made as to the fitness of the carcase for human consumption. We fear that this impartiality could well be lost if meat inspection is handed back to industry and we fear that the benefit of any doubt would no longer favour the consumer.’

1.20 p.m.

[46] **Mr Bailey:** With respect, that is the point of view that you would expect the meat inspectors to take.

[47] **Rhodri Glyn Thomas:** Yes, they would probably say that.

[48] **Mr Bailey:** You could say that it is a little like turkeys voting for Christmas. It is terribly important for us to get the product right, and I would almost say that we would recommend such things like spot checks by meat inspectors to ensure that things are being done properly. We would not even have a problem with unannounced checks. We must think of the viability, not just of the slaughterhouses and abattoirs, but of the meat sector itself. We are aware that, over the past two years, there has probably been more than a 12 per cent reduction in the sheep flock, and there has certainly been a reduction in the suckler cow herd in Wales. There is only so much that you can squeeze out of a stone. We are looking at reducing numbers and increasing bureaucracy, which is not evidenced on the continent. While we most definitely want to protect the consumer, we feel that there is a balance to be struck to protect the consumer, the processing plant and the primary consumer.

[49] **Rhodri Glyn Thomas:** So, am I right that you do not believe that the impartiality of the process would be endangered at all by self-regulation?

[50] **Mr Bailey:** I would be disappointed if that were the case, because the issue is that the slaughterhouses must be credible. If they are not credible, there is too much at stake for them to lose. Some of the large ones are big industries that have links with some of the large

supermarkets, and, consequently, for them to lose that credibility due to things not being done properly would be unthinkable.

[51] **Mr Morgan:** We are not saying that regulation or enforcement should not be included. We recognise the fact that, so far, significant savings have been made between 2006 and 2007, and by the end of 2010 you are looking at a move down from £91 million to £69 million across the UK. We believe that there are further efficiencies that can be made, as we mention in this paper, to make the regime more proportionate and to save money for the industry, the Welsh Assembly Government and the taxpayer in general.

[52] **Brynle Williams:** I am aware, but perhaps you could expand on the point for the record, that there are farm assurance schemes right across the sector. There is full traceability on cattle, sheep and so on, there are licensing issues when taking sheep to market and questions asked about when were they loaded, where they came from and to where they are going. Therefore, there are all of those backstops all the way along, and, once again, the meat inspectors say that they need to be there. I agree with you that they need to be there at random, but, with all these backstops all the way along, nothing is getting through. There was a case recently where a livestock haulier was unbelievably penalised for having one lame sheep on a wagon. That is how diligent the situation is. As you said, the industry should be self-regulating to a degree, with only a policing role needed, as opposed to the constant presence of the Meat Hygiene Service. Would you prefer it to be that way?

[53] **Mr Bailey:** Thank you for that question, Brynle. I am a farmer, first and foremost. I am still selling lambs and I know very well that if any of my lambs are lame and are presented at either the fat stock or store markets, they will be turned away. Every farmer has lame sheep, but every farmer treats his sheep to stop them from being lame. You mentioned other issues, particularly those of farm assurance, but, with respect, you did not mention the latest requirement that came into force on 1 January, which is the food chain information. That is an additional form that we must fill in while presenting lambs for slaughter. The food chain information form asks for the assurance that there will be no veterinary medicine residues within the meat and that everything has gone through the correct withdrawal period. That is a further safeguard as far as we are concerned for the quality of the product that we supply.

[54] **Rhodri Glyn Thomas:** Mick, **Rhodri Glyn Thomas:** Mick, we move on to symudwn at y pwyntiau ynglŷn â datganoli'r the points on devolution of powers. pwerau.

[55] **Mick Bates:** In your paper, you present a case for the devolution of powers over the implementation and enforcement of meat hygiene and animal welfare legislation. Some legislative power over welfare is already here, of course, but why do you think that other powers should come down to Wales?

[56] **Mr Morgan:** We have not said that they should; we said there should be a review to look at the possibility and at the pros and cons. We feel that the vast majority of legislation surrounding agriculture has been passed to Wales, and the Proposed Red Meat Industry (Wales) Measure is currently going through the legislative process to transfer responsibility for the marketing and promotion of red meat to the Assembly Government. A significant proportion of farmers in Wales would highlight the benefits of devolution to agriculture, given what we have managed to do over the past 10 years in terms of the reform of the common agricultural policy, and so on. So, it seems to us that there is an anomaly in that the legislation, regulation and enforcement surrounding animal welfare and meat hygiene at abattoirs and slaughterhouses in Wales is predominantly run on a GB basis, and we would like the Welsh Assembly Government to carry out a review to see whether there would be benefits in devolving those powers to Wales. It would be an interesting exercise, as something that could come out of this inquiry.

[57] **Mick Bates:** Personally, I would support your view, and I look forward to discussions in the sub-committee to see whether we can put forward such a recommendation.

[58] **Mr Morgan:** If we do go down that route, it would be important to ensure that the budget comes with the powers. It may not be a route that we want to go down, because there may be efficiencies in doing this at a UK level, but this would be an opportunity to look at that. I know that we would be constrained by EU legislation—a lot of the issues that we have discussed are EU issues rather than UK Government issues—but can we do anything to help the abattoir and slaughterhouse industry in Wales?

[59] **Mick Bates:** That is an interesting point; thank you. I am sure that that will be an interesting discussion. Some of us would love to see all the powers here.

[60] Going back to some of the things that you said about inspection and proportion of cost, I agree entirely with you—in New Zealand and Holland, the system of inspection that you have proposed has already been implemented, with an inspectorate that involves professionals from the industry itself, which is regulated and subject to on-the-spot inspections. There is no reason why we cannot adopt a similar approach in Britain. I was interested that my colleague Brynle raised the question of FAWL—that is, farm-assured Welsh livestock. It seems to many producers—and I am one of them—that, as we are subject to all these meat hygiene costs, why should we pay another cost? That is a complaint I often hear. What is the advantage of incurring a cost for FAWL if it does not have any legal status?

[61] **Mr Bailey:** FAWL was introduced some time ago, as you will be well aware, but in many ways, it just adds to the security—it is a further check. Whether it is worth the money—

[62] **Mick Bates:** Does it not seem a bit ridiculous to have an official body in the slaughterhouse, and yet to argue for a further check on farms?

[63] **Mr Bailey:** I am not necessarily arguing that. You are asking what FAWL is for, and I agree that it is doubtful whether it provides any value. It is a cost that we already have, and which we could perhaps remove, but it gives some assurance to the consumer. I will leave you to decide whether that is right or wrong. However, I think that that is the benefit, as much as anything else.

[64] **Mr Morgan:** There is a history to FAWL: if the industry had not taken the lead and done it, there is no doubt that every retailer would have tried to set up their own scheme with various standards and so on, to try to get one over on the other. That is why it was important that the industry took the lead on that. In many ways, the industry carries out the self-regulation, and we would like to see more recognition when it comes to legislation and enforcement, of the fact that that we are doing a good job at self-regulation. More farm assurance should be used to decrease the possibility of inspections, and it should be considered as part of the risk assessment.

1.30 p.m.

[65] **Mr Bailey:** As you are probably aware, the truth is that not every farmer is farm assured.

[66] **Mick Bates:** I am sure that there are a few left. To pursue that point, you talk about retailers; there is a Waitrose scheme, with which you will be familiar, which is different from farm assurance. So, retailers have their own schemes as well. The issue of schemes and licensing is complex. Are you quite happy with the status quo?

[67] **Mr Bailey:** There is a plethora of assurance schemes, the number of which, in the light of some form of review, may well be reduced. Our concerns at present relate to what is in front of us, which is the fact that the grant from the FSA is being cut back and that there will be resulting costs to abattoirs and, consequently, to farmers as primary producers. It may be that, at some time in the future, we could look at the various assurance schemes and decide which one is the best. To a certain extent, one weakness of the livestock industry is that it is divided. As I said, not everyone is farm assured and not everyone sells through Waitrose or Asda, so there has to be general certainty or an assurance that wherever you buy your meat, whether it is in Waitrose or from the local butcher, it is of the highest standard.

[68] **Rhodri Glyn Thomas:** Diolch i chi'ch dau am eich sylwadau ac am ateb y cwestiynau. Os oes rhywbeth yn codi yn ystod ein sesiynau tystiolaeth y credwch y gallai NFU Cymru ymateb yn bellach iddo, mae croeso ichi gyflwyno eich sylwadau inni'n ysgrifenedig.

**Rhodri Glyn Thomas:** Thank you both for your comments and for answering the questions. If anything arises during our evidence sessions that you think NFU Cymru could respond to, you are welcome to submit your comments to us in writing.

[69] **Mr Bailey:** Diolch, Gadeirydd ac i bawb am wrando.

**Mr Bailey:** Thank you, Chair, and to everyone for listening.

1.32 p.m.

**Ymchwiliad i Les Anifeiliaid a Hylendid Bwyd: Sesiwn Dystiolaeth—Cymdeithas Cyflenwyr Cig Annibynnol**  
**Inquiry into Animal Welfare and Meat Hygiene: Evidence Session—Association of Independent Meat Suppliers**

[70] **Rhodri Glyn Thomas:** Estynnaf groeso cynnes i Mr Hewson, sy'n cynrychioli'r Gymdeithas Cyflenwyr Cig Annibynnol. Hoffwn eich gwahodd i wneud sylwadau byr o ryw dri munud, a chaiff yr Aelodau gyfle wedyn i ofyn cwestiynau ichi.

**Rhodri Glyn Thomas:** I extend a warm welcome to Mr Hewson, who is representing the Association of Independent Meat Suppliers. I invite you to give a brief introduction of around three minutes, before Members ask their questions.

[71] **Mr Hewson:** Thank you for the opportunity to give evidence. The Association of Independent Meat Suppliers represents medium-sized abattoirs in England and Wales. We represent 14 Welsh slaughterhouses, which is quite a big chunk of the Welsh slaughtering industry. We are pleased to come to speak to you about the questions that you raised, as we have firm opinions on some of them.

[72] I would like to draw three points out of the written evidence, one of which you have just been discussing. We believe that the permanent presence of officials, which is a requirement of current EU legislation, is detrimental to both the efficiency and the effectiveness of the service. We believe that it confuses responsibilities, and it would be far better if the operator were given full and total responsibility for producing safe meat, but was then subjected to rigorous audit and, possibly, unannounced inspections, to ensure that that responsibility is being taken on fully. That is the way in which other foods are dealt with. It seems possible that some of the problems that we see in the press from time to time are caused by the fact that meat is not dealt with in that way. We know that the FSA has embarked on trying to modernise regulations in Europe, and we would urge the Assembly to give all the support that it can.

[73] My second point relates to your first question on how effective these controls are. In

our written evidence, we cast some doubts on how effective they are, but I put it to you that the truth is that we do not really know how effective they are because there has not been a thorough audit of MHS delivery since it went through its transformation programme. An open, transparent and independently scrutinised audit is a requirement under EU legislation, but it has not taken place. You may want to think about requiring such an audit to take place so that you can assess how effective the controls are.

[74] If we are right and the controls are less effective than they might be, one suggestion for making them more effective would be better use of the scarce veterinary resource that has experience in this area. Given that every slaughterhouse has to have a veterinarian pretty well permanently present, and that there are some 400 slaughterhouses in Great Britain, there are not enough really experienced veterinarians to go around. We feel that there is also something of a conflict of interest in a veterinarian who is permanently present in premises carrying out enforcement on those premises. There is something attractive about having a small number of experienced people going around with a fresh pair of eyes, able to spot problems that occur with both meat inspection and with animal welfare. So, those are three issues that I would raise.

[75] **Rhodri Glyn Thomas:** Thank you for those opening remarks. It is appropriate now to start with the structure of the inspection process and I will ask Joyce Watson to start with those questions.

[76] **Joyce Watson:** Good afternoon. You have already touched on one of the questions that I was going to ask, but I will ask it anyway for the record. You state in your written evidence, and have just stated again, that there is a need to change the role of the official veterinarians so that they focus more on audit and enforcement, with the day-to-day meat hygiene and animal welfare inspection carried out by operators themselves. Why do you think that that change in the role would be beneficial?

[77] **Mr Hewson:** It would deliver a clearer responsibility. At the moment, the operator has certain comfort in that he has a veterinarian permanently in his abattoir, who must be the expert in the abattoir on animal welfare. So, he relies somewhat on that veterinarian to ensure that welfare is carried out as well as it possibly can be in that abattoir. Again, each carcass is inspected by either the veterinarian or the meat inspector and has a health mark placed on it. Again, that takes responsibility away from the operator for producing safe meat. If the operator were told, 'You go and produce safe meat and we will come to check you', then there would be no conflict and the responsibility would clearly lie with the operator, as it would with any other food manufacturer.

[78] **Joyce Watson:** Other evidence that that committee has heard has suggested that a move towards further self-regulation by the industry would lead to a decline in meat hygiene standards because impartiality is removed from the system. Are you confident that that would not be the case?

[79] **Mr Hewson:** It depends on what you mean by self-regulation. There will always be official controls over all food premises, but I suggest that there should be audit controls, and possibly infrequent, unannounced inspections. I think that what you are actually asking about is the ante-mortem and post-mortem inspections. Operators are allowed to undertake such inspections in the poultry industry and that has been the case for some years throughout Europe. There is no evidence that allowing the operator to carry out that responsibility is detrimental to public health.

[80] The second point is that post-mortem inspection does not address the common food-borne illnesses associated with meat; it is more of a quality control. Post-mortem inspection is not such a big deal in public health terms. The big deal in public health terms is controlling

hygiene in production and stopping carcasses from becoming contaminated with the bacteria that are carried in normal animals, and which appear totally normal at post-mortem inspection.

1.40 a.m.

[81] **Rhodri Glyn Thomas:** A oes unrhyw gwestiynau eraill ar strwythurau cyn inni symud ymlaen i drafod cost y broses? Gwelaf nad oes. Mae'r cwestiynau nesaf gan Brynle Williams.

**Rhodri Glyn Thomas:** Are there any further questions on structures before we move on to discuss the cost of the process? I see that there are none. Brynle Williams has the next questions.

[82] **Brynle Williams:** Good afternoon, Mr Hewson. In your evidence, you state that the industry would be willing to fund a cost-effective service fully. What action do you believe can be taken to improve the efficiency of the MHS?

[83] **Mr Hewson:** We believe that there are still—you discussed this earlier—tasks that the MHS carries out that are not required by EU legislation, but which are carried out, particularly in the bovine spongiform encephalopathy and transmissible spongiform encephalopathy area, as a sort of belt-and-braces operation because, at the time of the BSE scare, operators were not trusted to carry them out themselves. So, those are tasks that could be removed.

[84] We also believe that there is still considerable over-manning, both at slaughterhouses and in back-up services. We know that the FSA is currently taking steps to make the delivery more efficient by bringing the MHS and FSA together, and therefore combining quite a lot of the back-office tasks, which will have an effect. However, we think that the current cost could be reduced by at least another £20 million. For example, at nearly all slaughterhouses, European legislation allows the veterinarian not to be there permanently. It allows him to go to keep an eye on the operation, but he does not have to be there permanently. Unfortunately, the way in which the MHS has procured its veterinarians, which it does from contractors, has tended to require contractors to maximise the hours that the veterinarian is at the slaughterhouse in order to make a profit or to keep afloat. That is not conducive to making an effective, efficient service.

[85] **Brynle Williams:** So, you would fully support the merging of MHS and the FSA, would you? You highlighted that there is a possible saving of £20 million there. You said that a veterinarian is on call 24/7 in the smaller abattoirs; surely that must put a lot of pressure on those smaller abattoirs in terms the cost of keeping those veterinarians there unnecessarily simply because an agency has decided that that is the way that it wants to run it.

[86] **Mr Hewson:** The service as it is under the current legislation could never be cost effective. It is overkill. To deliver the service in small abattoirs is an extremely costly business. European legislation allows for flexibility in small abattoirs, both by way of the controls that are imposed upon them and also the charges. If total cost recovery was placed on the industry and there was no way of subsidising the smaller slaughterhouse, they would not be able to afford it.

[87] **Mick Bates:** What are the charges that you keep referring to? I asked the same thing of the NFU. What are they? How much does it cost for a beef animal, how much for a sheep and how much for poultry?

[88] **Mr Hewson:** I do not have the exact figures, but one of the MHS's targets is to reduce the cost of the inspection of what it calls a livestock unit. One livestock unit is one bovine and it is about £14 per head.

- [89] **Mick Bates:** That is just for the veterinarian?
- [90] **Mr Hewson:** That is the total MHS cost for that livestock unit. For a pig, it would be a seventh of that, or something like that.
- [91] **Mick Bates:** What would it be for a lamb?
- [92] **Mr Hewson:** For a lamb, it would be less. I do not have the figures with me.
- [93] **Brynle Williams:** That is very interesting. I read somewhere that it is 80p for a chicken. What fascinates me is how chickens are being sold two for £5 in retail outlets.
- [94] **Mr Hewson:** In a very large slaughterhouse, the cost is less than 1p. In a farm set-up, it could be £1 a chicken.
- [95] **Rhodri Glyn Thomas:** Would it be possible for you to give us a note about the actual costs? Is that information available to you?
- [96] **Mr Hewson:** Yes, it is.
- [97] **Rhodri Glyn Thomas:** We would be grateful if you could do that.
- [98] **Mick Bates:** How much would be saved by the implementation of your suggestion of an independent meat service that comes in on spec and inspects, while the professionals deal with their regulation?
- [99] **Mr Hewson:** I do not know. If we were to go down that road, it would have to be a two-stage trip. At the moment, EU legislation does not allow the operator to carry out those inspections, but, as you mentioned, in Holland and New Zealand those inspection tasks have been given to what are called control bodies, which are independent bodies. The audit tasks are then superimposed upon them. That has driven a lot of the cost out of the models in Holland and New Zealand, but I cannot give you an exact figure.
- [100] **Mick Bates:** Is there any possibility that you could? We are gathering evidence to look at these costs and we want them to be proportionate, so it would be useful if you could indicate how much could be saved by that process.
- [101] **Mr Hewson:** I previously worked for the FSA—
- [102] **Mick Bates:** Oh, a keeper turned poacher. [*Laughter.*]
- [103] **Mr Hewson:** Or perhaps the other way around. Three years ago, I worked with Geoff Tierney, when we reviewed the delivery of these controls and we looked at the various options. A lot of that information will be in the report that we drew up.
- [104] **Mick Bates:** Throughout all these reports, there is no mention of the costs or the saving that could be accrued. It is important for our inquiry that we understand that impact.
- [105] **Mr Hewson:** We calculated the cost of the two models. We calculated the cost of what we were told that the MHS would do to transform and we counted the cost of derogating the inspection tasks to a third party. Those calculations will be in the report. The problem was short-term costs and long-term costs, because the MHS had a huge pension deficit. In the long term, there were attractions to outsourcing, but, in the short-term, the cost, due to the pension deficit, was enormous.

[106] **Rhodri Glyn Thomas:** As with actual costs, if there is any detailed information that you are able to ascertain, we would be grateful for a note on cost efficiencies.

[107] **Mr Hewson:** I can go through the report that we wrote and point you to the relevant parts.

[108] **Brynle Williams:** Finally, in its evidence, NFU Cymru told the committee that it was concerned that any reduction in the subsidy of UK meat controls by the FSA could lead to a reduction in farm-gate profitability and also—you touched on this slightly—the closure of smaller abattoirs. Can you comment on that?

[109] **Mr Hewson:** It would all depend on how full-cost recovery was delivered and what safeguards could be put in place to protect smaller abattoirs. I believe that cross-subsidisation is not allowed under EU legislation, therefore, some sort of subsidy would have to be found for the smaller abattoirs from somewhere or the controls at those abattoirs would need to be reduced to an affordable level. Small abattoirs currently cannot afford the full cost.

[110] **Rhodri Glyn Thomas:** Do you believe that the legislation on meat hygiene and animal welfare is effective, and, if not, do you have any suggestions about how it could be more effective?

1.50 p.m.

[111] **Mr Hewson:** I do not believe that it is effective, because I do not believe that full-time supervision is an effective way of achieving compliance, because of the problems with responsibilities not being clear, because of the familiarity that the person who works permanently at premises gains, and because of various conflicts there have been in the industry because of a lack of trust between the industry and the Meat Hygiene Service. I will give the example, as I have done in the paper, of the exercise that occurred from 2006 and is coming to an end now, where all abattoirs were reapproved under the new regulations. That was done by a small number of experts who went to each abattoir, discussed and agreed with them what needed to be done, and they did it in order to keep their licence to operate. Many of the abattoirs made a considerable investment to do that, and when asked why they had not done it before, they said that they were told by the guy who was there permanently to do this, that and the other and that they never had clear guidance as to what was required. We need real experts—and you can only have a small number of them—who are familiar with standards, both in the UK, Europe and the rest of the world, who can go around and advise and enforce. These people will be trusted by the industry because they have the expertise. Unfortunately, we do not think that the expertise is there 24/7 at the moment in the abattoirs.

[112] **Rhodri Glyn Thomas:** Thank you for that. We have noted that interesting suggestion.

[113] **Brynle Williams:** You say that the expertise is not there. I am not discrediting the veterinarians on call in these abattoirs, but there has been an awful lot of comment about veterinarians who cannot even speak English in the abattoirs. How can that work with such a complex issue when you have a language barrier to start with?

[114] **Mr Hewson:** It is something of a historical problem, in that veterinary graduates from UK universities tend to want to be James Herriot; they do not want to work in an abattoir. Historically, on the continent, it has been rather different. Veterinarians on the continent have been both clinicians and food hygienists, and so there is a history on the continent that veterinarians will police food premises, whereas we have had our environmental health officers doing that sort of job. We became a member state; we took the



rules on board and we had to have the veterinarians. In the early years, a lot of the veterinarians were provided by local practices and local farm practices are very useful at providing someone part time; it is a useful income source, which supports the rural community. They were good clinicians who did a good job. Once the rules became fully enforced, after the bovine spongiform encephalopathy outbreak, Brussels insisted that we had 24-hour full-time veterinary presence and the rural practice could no longer provide that presence as it could not spare the staff nor provide it at the cost, because it is cost-driven. There are not the same constraints on the production of veterinarians in other member states. The salaries that are available in this country for official veterinarians, although not attractive to UK veterinarians, are still attractive to veterinarians from other member states. I do not know what percentage of OVs is from other member states, but it must be 80 per cent or more. It comes down to price and job satisfaction.

[115] **Mick Bates:** I have a couple of points. You talk about advisers to the industry, and I believe that we had an advisor in Wales who travelled around during 2006, and it was very successful. Was that the case?

[116] **Mr Hewson:** Yes. I was working for the FSA at that time, and we noted that Wales was ahead of the game on setting its approved slaughterhouses. When it was looked into, the explanation was that there was a better and more frequent relationship between the adviser and the plants than in England, where it was a case of not many people going around a lot more plants. So, the adviser had the time, knowledge, experience and the ability to advise.

[117] **Mick Bates:** Finally, on SRM controls, we have just heard from the NFU that it is looking at getting rid of the costs of treating SRM in cattle at 48 months, with a possible extension to 60 months. Similarly, in the case of the removal of the spinal cord, we have heard that, on the continent, vacuum suction is available, whereas here the carcasses are split and then the cord is physically removed. Can you give us some views from the abattoirs' perspective on SRM controls in relation to the ages of cattle and the removal of the spinal cord?

[118] **Mr Hewson:** The risks are no longer there. It is a question of how quickly you can roll back the control. It is easy to put a control in place, but it is much more difficult to remove it. It is being done in Brussels, but perhaps a little too slowly for the industry.

[119] **Mick Bates:** When you say that it is being done, do you mean that it is done up to the current 48 months in relation to cattle?

[120] **Mr Hewson:** That is being done. The TSE road map sets out how to remove these controls. The European Commission is embarking on that, and the next move would be to remove controls on cattle up to 60 months. The science is being looked at, and once that is done, it goes to the advisory committee, which opines on it and then it is up to the commission to propose a change in the regulations.

[121] **Mick Bates:** Would that result in a cost saving?

[122] **Mr Hewson:** Yes.

[123] **Mick Bates:** Would that be substantial?

[124] **Mr Hewson:** Yes. The cost of testing is very substantial.

[125] **Mick Bates:** So there will be a saving. Is there a timescale for that reduction?

[126] **Mr Hewson:** No, there is no end date; it is all based on risk reduction.

[127] **Mick Bates:** What about the spinal cord in sheep?

[128] **Mr Hewson:** As we heard earlier, no-one has ever found a case of BSE in sheep. We remove the spinal cord in case there is such a case. In France, it is removed by aspiration; it is not 100 per cent effective. It is a risk assessment of how much of a spinal cord you would be happy to leave behind and still place the product on the market. In the UK, SRM has always been treated as incredibly dangerous material, but probably less so in some other member states. It is a case of rolling back the controls that we put in place when we did not know the full risk.

[129] **Mick Bates:** Finally, is there a plan in place to remove the regulation in relation to the spinal cord?

[130] **Mr Hewson:** Not at the moment. The road map suggests that there would always be a certain age of cattle at which the brain and spinal cord would be classed as SRM. That would not necessarily apply to sheep. You could envisage that the day would come when no sheep would have to be split.

[131] **Mick Bates:** There is no timescale for it.

[132] **Mr Hewson:** There is no timescale.

[133] **Rhodri Glyn Thomas:** Thank you, Mr Hewson, for your evidence. If you could send us further information about the current costs, cost-effectiveness and cost-efficiency, we would be grateful.

[134] **Brynle Williams:** Is it possible to know what the saving would be of the non-removal of SRM in sheep, namely the splitting over two teeth?

[135] **Mr Hewson:** I would think that the MHS would be able to calculate that because it has accounting procedures whereby various elements are costed.

[136] **Rhodri Glyn Thomas:** Thank you very much.

1.59 p.m.

**Ymchwiliad i Les Anifeiliaid a Hylendid Bwyd: Sesiwn Dystiolaeth—Cig Oen ac Eidion Cymru**  
**Inquiry into Animal Welfare and Meat Hygiene: Evidence Session—Welsh Lamb and Beef Production**

[137] **Rhodri Glyn Thomas:** Yr wyf yn croesawu Don Thomas sy'n cynrychioli Hybu Cig Oen ac Eidion Cymru. Yr wyf yn eich gwahodd i wneud sylwadau agoriadol byr o dua thri munud, a bydd cwestiynau wedyn gan Aelodau ar sail y dystiolaeth ysgrifenedig a ddaeth i law.

**Rhodri Glyn Thomas:** I welcome Don Thomas, representing Welsh Lamb and Beef Production. I invite you to make some brief introductory remarks for around three minutes, and there will then be questions from Members on the basis of the written evidence that has been submitted.

[138] **Mr Thomas:** Diolch yn fawr am y gwahoddiad i ddod yma.

**Mr Thomas:** Thank you for the invitation to come here.

[139] Welsh Lamb and Beef Producers Ltd is essentially an agricultural co-operative

comprising around 7,500 Welsh livestock farmers.

2.00 p.m.

[140] We currently deliver the farm assurance scheme in Wales, among other things. We do organic certification as well. The farm assurance scheme is totally independent of Government; it is an industry-driven scheme that is underpinned by certification from the United Kingdom Accreditation Service and complies with European legislation. We consider that to be a good example of what can be done further up the food chain. It is an extremely cost-effective scheme because it is driven and funded by industry itself. It has very little added bureaucracy costs.

[141] Animal health and welfare feature strongly in the scheme, and we are keen that animal welfare maintains its robustness throughout the supply chain. It is one of the most emotive consumer issues at the moment, in terms of consumers' own health and the welfare of the animals. Therefore, the link through to the abattoir is important. We are fully aware that the vast majority of UK abattoirs are currently doing status checks on the assurance side of farming. We are therefore very keen that the robustness of that system is perpetuated. In many ways, welfare in abattoirs, the checking of that welfare, and the health status of carcasses, are very important to consumers.

[142] As we all know, the problem at the moment is that the MHS system, which was highly subsidised by the Government previously, is now looking for full cost recovery. Our concern is that that will impose a heavy burden of cost on a fragile industry. The abattoir sector in Wales is particularly important to us because we are a large producer of raw materials and we need slaughtering facilities for that raw material very close to hand.

[143] What we would like to see being brokered into the system is the MHS retaining its role as an auditor, although a lot of the due diligence and checking work is done by the industry itself. So, the MHS should remain the honest broker in relation to auditing, but it does not need to be present at these plants 24 hours a day, seven days a week. We understand that large plants are also going to suffer huge increases in costs because the scale of MHS presence will be increased by this requirement for full cost recovery. In addition to that audit role being undertaken by the MHS, we would advocate the introduction of a risk-assessment process, whereby the effort is concentrated on the riskier end of the industry. Nobody is perfect, and the effort should be based on risk assessment so that greater scrutiny is applied to the riskier side of the industry—the plants that are more likely to suffer breaches.

[144] With regard to cost recovery, we understand that it cannot be offset. To us, it seems a little strange that veterinarians are permanently in these plants, and we also question their independence. If they are there constantly, their independence as auditors may be compromised. In the finance world, auditing personnel are asked to change to ensure that the audit is independent; someone who is there all the time might not be able to give that sort of audit. We find that, in upholding consumer confidence, it is important that we have a rigorous system right through the food chain, from the farm through to the abattoir. We would not advocate compromising some of the standards, but we would prefer to see a more risk-based assessment on the recovery of costs, for example.

[145] **Rhodri Glyn Thomas:** Diolch yn fawr iawn am eich sylwadau agoriadol. Dechreuwn gyda chostau'r broses arolygu. Drosodd i Brynle Williams.

**Rhodri Glyn Thomas:** Thank you very much for your opening remarks. We will start with the costs of the inspection process. Over to Brynle Williams.

[146] **Brynle Williams:** You have partly covered the first question that I was going to ask, but what is your view of the likely impact of the proposals made by the Food Standards

Agency to reduce and eventually remove the subsidy that it currently provides to the operation of UK meat controls?

[147] **Mr Thomas:** Inevitably, it will place the burden of cost on the industry. We represent 7,500 Welsh livestock farmers. The trend is that costs burdened on the industry tend to be passed back along the chain, so we are worried that, ultimately, the cost will end up with the farmer. There are two aspects here. We want to see a healthy, thriving, slaughtering industry remaining in Wales, so it is important that they maintain their financial viability. We have seen examples of such difficulties in the last few days with the transfer of processing facilities from Anglesey to Cheshire. Let us hope that that is not the thin edge of a larger wedge and that the slaughtering may follow in time. We are consciously aware of the need to maintain a viable slaughtering sector in Wales. So, the costs are an important issue and we are concerned that the burden will fall on the industry, from the farm gate all the way through to the abattoir door. Wherever the cost falls, it is going to be challenging for Wales.

[148] **Brynle Williams:** How damaging do you think this will be? We know that it will have an effect on the smaller and medium-sized abattoirs. To what degree do you think that they will be damaged?

[149] **Mr Thomas:** Our view is that it will cause problems to abattoirs of all sizes. I know that the smaller ones are important, but we must remember that about 80 per cent of the stock finds its way to the supermarkets and therefore, for the sake of the critical mass, we have to make sure that the large ones are viable as well. If the large abattoirs are bearing a disproportionate share of the cost, it will impinge on their financial viability also. We believe that it should be equitable for all plants—small and large—and we favour this risk-based assessment of audit, rather than monitoring 24 hours a day, seven days a week.

[150] **Brynle Williams:** Do you envisage that these costs will ultimately come back to the primary producers?

[151] **Mr Thomas:** That seems to be the trend. Inevitably, costs are passed back—it is like a rugby ball; it will eventually find its way to the winger who is hammered into touch.

[152] **Brynle Williams:** Evidence submitted to this committee by other organisations has suggested that there is a need for further efficiency savings in the Meat Hygiene Service to reduce the cost of official controls. Do you agree with that argument?

[153] **Mr Thomas:** Yes, I have some sympathy with that argument. If some of the costs are industry-borne and there is a degree of self-regulation—subject to audit, of course—that could deliver a very cost-effective system, and it has worked well in farm assurance, for example. MHS is part of the Food Standards Agency, or will be a part of it, and will be subject to quite a high level of add-on costs. We understand that its pension scheme is in huge deficit and that the pension cost will be quite high. The private sector does not necessarily have to carry those cost burdens. If it is delivered by a public body, inevitably the cost will be higher, so I am sure that different methods can be looked at in order to improve the efficiency of the sector without compromising its robustness and its standards.

[154] **Brynle Williams:** The previous witness said that he thought there could be a saving of around £20 million as a result of a merger. Would you agree with that sort of figure?

[155] **Mr Thomas:** I can understand the sense of merging because, by doing so, you mitigate some of the back-office costs, but I would think that they were relatively minor. To get a cost per animal is very complex, as it all depends on the throughput of the plant. There would be a fixed cost for the MHS charges and I guess that the more efficient plants would be able to absorb those by greater throughput. I have no access to those figures, but I am sure

that that work has been done by somebody, to try and get a per-unit cost for MHS charges under the proposed system, or even a cost per kilo of meat. I am sure that, if it is done, the cost will be surprisingly large because the idea of savings of £20 million implies that the overall costs are substantial. From our perspective, we deliver farm assurance on-farm and our total cost to a farmer is less than a £100 a year.

2.10 p.m.

[156] The average flock size in Wales, for sheep alone, is around 900, so it works out at around 11p per animal, which we think is extremely cost effective. Similar calculations have been done, but it is the economy of scale that needs to be worked out. Rather than trying to identify the cost to a small or a large plant, it might be useful to work it out per kilo of meat.

[157] **Mick Bates:** What are the costs to the producer? Everyone has mentioned the cost, but what does it cost to sell a beef animal, to sell a sheep, or to sell poultry?

[158] **Mr Thomas:** Do you mean to have it processed through an abattoir?

[159] **Mick Bates:** Yes, with the costs from the MHS.

[160] **Mr Thomas:** Once again, it is all relevant to the scale of the plant. If you have a plant with a throughput of, for example, 30,000 or 40,000 units of sheep per week, then the fixed costs of having—I do not know what they would have to have statutorily—four or five MHS inspectors there permanently are divided by the number of animals that go through, I guess. On a small plant that might have a throughput of 500 per week, even if they have only one person there, the cost per unit would be substantially higher. So, it is all about doing the calculations. However, I still come back to the view that the cost is lower if you have a large plant that is extremely efficient, with a very low assessed risk—not because of its scale or its efficiency, but because of its track record and the fact that someone has given it a high score. We used to have a system that scored abattoirs according to their competence in delivering a very good and robust system. That could be the basis of a risk-assessed system in which MHS did the audit rather than the delivery.

[161] **Mick Bates:** Can you not give us an indication of the cost?

[162] **Mr Thomas:** It is an arbitrary figure and it depends on the throughput. I would imagine that, per unit, it has to be higher in a smaller plant than in a larger plant.

[163] **Mick Bates:** Thank you.

[164] **Rhodri Glyn Thomas:** Symudwn **Rhodri Glyn Thomas:** We will move on to ymlaen i drafod strwythurau'r broses arolygu. discuss the structure of the inspection process.

[165] **Joyce Watson:** Good afternoon, Mr Thomas. How effective do you think the current animal welfare and meat hygiene inspection and enforcement process is? How would you improve it? I know that you have said a lot about this already, but I would like to focus particularly on this question.

[166] **Mr Thomas:** I would imagine that we have a highly effective and efficient system. We are probably gilding the lily more than anyone else in Europe. We are probably leading the pack in relation to standards. The question now is whether we are doing it too well and at too high a cost. We do not want to compromise our standards in any way, shape or form, but I am sure that, with a degree of imagination, we can reduce the per-unit cost. I do not think that we have any worries about the standards of the delivery; our concern is that the transfer of

costs will mean that we are moving from a subsidised position to one where the industry will have to bear all the costs of a very gilded lily, if I can call it that.

[167] **Joyce Watson:** Do you believe that there is a case for more self-regulation?

[168] **Mr Thomas:** Yes, I do. That is a very relevant matter. With self-regulation, and the industry taking on some of the burdens, I am convinced that they could do it more cost effectively than by having permanent checks. With self-regulation, it is vital to have an independent audit. The independent audit, based on risk assessment, can be targeted at the area where performance would suggest that the effort should go, rather than having blanket coverage at a statutory level, with people constantly there. I do not honestly know what they do all of the time, but I believe that to have someone constantly at a plant compromises their independence.

[169] **Mick Bates:** I would like to make a couple of points. I would like to return to an issue that I raised with the NFU about the existence of farm assurance. You said that you have 7,000 members.

[170] **Mr Thomas:** We have 7,500 members.

[171] **Mick Bates:** How many livestock producers are there in Wales?

[172] **Mr Thomas:** It is a changeable feast, and we are shedding them by the day, unfortunately. However, there are probably around 14,000 or 15,000. What we have is almost like a Pareto distribution in that we have around 3 million sheep and 200,000 cattle and around 75 per cent of production is covered by farm assurance.

[173] **Mick Bates:** So, how do the others—possibly 7,000 producers—sell their livestock without farm assurance?

[174] **Mr Thomas:** A lot of them sell it for store purposes, some sell it to their neighbours and others sell it to outlets that do not necessarily seek farm assurance. I am afraid that there are still some of those on the export side.

[175] **Mick Bates:** So, farm assurance is not a legal requirement.

[176] **Mr Thomas:** It is not a legal requirement, but it is certainly a requirement of first point of entry into any multiple retailer and many service food sectors. We are seeing the growth of the system across the UK. We have the Assured Food Standards tractor mark, for example, with which we are fully integrated. That is becoming an important driver for purchases and people understand what it means. I think that it is now regarded as a minimum level of entry into the food chain.

[177] **Mick Bates:** When I put that to the NFU—which was talking about reducing costs by getting rid of some of the MHS, which you seem to support, and which sounds proportionate—it was in favour of keeping farm assurance, although it is an added cost and is not required by law. Is that a correct interpretation?

[178] **Mr Thomas:** They are two distinct issues, are they not? Farm assurance is a measure of the farmer's compliance with a protocol. Meat hygiene and some of the European statutory requirements are imposed through the EU. So, I do not think that they are necessarily compatible. I think that it is a way of delivering a statutory requirement, by using the least costly option in terms of risk assessment and by passing some of the onus on to the industry, rather than leaving it on this system. So, I do not know what the NFU's view was on that, but I would not think that they were two compatible subjects.

[179] **Mick Bates:** Finally on that, you say that they are not compatible, but I am trying to work out the total cost and, as yet, no-one has told me what that is. Perhaps Hybu Cig Cymru will tell us the true cost of that.

[180] **Mr Thomas:** I am sure that it will.

[181] **Mick Bates:** Yet there is another cost in farm assurance, which you say is roughly £100.

[182] **Mr Thomas:** Yes, to a farmer, it works out at around 11p per lamb.

[183] **Mick Bates:** I am an enthusiastic supporter of the concept, but in terms of our inquiry, much of it relates to cost-effectiveness. However, looking at the overall costs, 7,000 farmers are prepared to pay for that extra assurance. So, why do retailers require further assurances? Why not just accept farm assurance and the fact that we already have to comply with all of these hygiene standards?

[184] **Mr Thomas:** We certainly ensure that the status of the animal, in terms of assurance, is very robust and independently monitored until it leaves the farm gate. Clearly, it then goes into various supply chains. For example, it could go through an auction market, but eventually it will end up in a lairage in an abattoir. We are keen that the robust standards of the animal entering the lairage are maintained, but from there on in, we are then covered by food standards in terms of hygiene. I heard some of the comments made by the earlier witness, but it is a slightly different situation when the animal is dead from when it is alive, in terms of how food standards can be compromised due to inferior treatment. We have all heard of E. coli cases where perhaps some compromises were made in abattoirs, so I think that every consumer would want that process to be robustly monitored and safeguarded. There is a supply chain and we want to ensure that every link in the chain is robustly monitored. We cannot compromise this issue. The UK has come through very challenging times in terms of its food industry, but we have got there and we are as good as, if not better, than most of Europe and, without question, other parts of the world. So, we must maintain those standards, but try to mitigate the costs at the same time.

2.20 p.m.

[185] **Rhodri Glyn Thomas:** Yn ei dystiolaeth ysgrifenedig a llafar, yr oedd yr NFU yn frwdfrydig am y syniad o ymchwilio'r posibiliadau o ddatganoli'r ddeddfwriaeth am hylendid cig a lles anifeiliaid. A ydych yn meddwl bod budd yn hynny?

**Rhodri Glyn Thomas:** In its written and oral evidence, the NFU was enthusiastic about the idea of researching the possibilities of devolving legislation on meat hygiene and animal welfare. Do you think that there is any benefit in that?

[186] **Mr Thomas:** Ydwyf.

**Mr Thomas:** Yes.

[187] I believe that that is a sensible sort of process, and I would accept that it would be useful to look at it. It needs a bit of work doing on it, possibly.

[188] **Rhodri Glyn Thomas:** Diolch i chi am eich dystiolaeth. Fel gyda'r tystion eraill, os cyfyd rhywbeth yn y sesiynau dystiolaeth yr ydych am wneud sylwadau yn ei gylch, byddwn yn falch o'u derbyn.

**Rhodri Glyn Thomas:** Thank you for your evidence. As with the other witnesses, if anything arises in the evidence sessions that you want to comment on, we would be glad to hear from you.

2.20 p.m.

**Ymchwiliad i Les Anifeiliaid a Hylendid Bwyd: Sesiwn Dystiolaeth—Hybu Cig Cymru**

**Inquiry into Animal Welfare and Meat Hygiene: Evidence Session—Hybu Cig Cymru**

[189] **Rhodri Glyn Thomas:** Fe groesawaf Sion Aron Jones a Gwyn Howells o Hybu Cig Cymru. Fe'ch gwahoddaf i wneud sylwadau agoriadol, os dymunwch, a'u cyfyngu i ryw dri munud, cyn inni symud i'r cwestiynau ar eich sylwadau ysgrifenedig a llafar.

**Rhodri Glyn Thomas:** I welcome Sion Aron Jones and Gwyn Howells from Hybu Cig Cymru. I invite you to make some opening remarks, if you wish, and to limit them to around three minutes, before we move on to questions on your written and oral submissions.

[190] **Mr Howells:** Diolch yn fawr, Gadeirydd, am y cyfle i ddod gerbron eich pwyllgor heddiw. Hybu Cig Cymru yw'r corff statudol yng Nghymru sy'n gyfrifol am hybu a marchnata ein cynnyrch, sef cig oen, cig eidion a chig mochyn yn bennaf. Swyddogaeth arall yw helpu'r diwydiant i ddatblygu, boed hynny ar y ffermydd neu ar hyd y gadwyn fwyd fel y bydd gennym ddiwydiant sy'n fwy effeithlon a chynaliadwy ar gyfer y dyfodol. Cawn ein hariannu drwy ardoll statudol a delir gan ffermwyr yn bennaf a phroseswyr cig. Felly, dyna yw'n swyddogaeth fel corff.

**Mr Howells:** Thank you very much, Chair, for the opportunity to appear before your committee today. Hybu Cig Cymru is the statutory organisation in Wales with responsibility to promote and market our products, chiefly lamb, beef and pork. Another of our functions is to help the industry to develop, be that on the farms or along the length of the food chain so that we have a more effective and sustainable industry for the future. We are funded via a levy that is paid by farmers mostly and meat processors. So, that is our function as an organisation.

[191] **Rhodri Glyn Thomas:** Diolch. Dechreuwn y cwestiynau gyda strwythurau a'r broses arolygu. Trof at Joyce Watson yn gyntaf.

**Rhodri Glyn Thomas:** Thank you. We will start the questions with structures and the inspection process. Joyce Watson has the first question.

[192] **Joyce Watson:** Good afternoon. I am going to ask a question on the structure of the meat hygiene and animal welfare inspection process. This committee has heard evidence that suggests a need for change in the role of official veterinarians, with officials becoming more responsible for order and enforcement, and with the day-to-day inspection being completed by food business operators. Do you agree with that position?

[193] **Mr Jones:** Yes, we agree that there are opportunities—particularly with the merger of the Food Standards Agency and the Meat Hygiene Service, subject to formal approval by Government, and with transition to be completed by March 2011—for taking a risk-based and proportionate approach to meat hygiene inspections and animal welfare concerns. We believe that the merger provides an opportunity to look at how the meat hygiene service currently operates, particularly at abattoirs. I understand that this committee has previously heard suggestions. In our evidence, we believe that there is perhaps an opportunity to introduce qualified individuals to take over some aspects of the role and responsibilities of the official veterinarians, and that has implications for the costs associated with this service. We believe that consultation and discussion are needed to remove some of the responsibilities that currently sit with the official veterinarians and transfer them to trained experts.

[194] **Joyce Watson:** Okay, but other evidence has been submitted to the committee to



suggest that a move towards more self-regulation in the industry will lead to a reduction in meat hygiene standards. To what extent is that statement true?

[195] **Mr Howells:** We are very keen as an industry body to adhere to and uphold consumer confidence in our products. After all, as an industry, we want consumer confidence to be as high as possible in the branded products that we produce, which will therefore give the industry a more prosperous future. So, in effect, what the Food Standards Agency and the industry require from the Meat Hygiene Service, from an overall perspective and from that of individual plants, is the same thing. The key to this is to get the two parts working together so that we have a system for the future that is proportionate to the risk of the individual plant and the overall risks in the industry, so that we can ultimately produce products for consumers to consume that are evidently safe, and in which people can have confidence. So, we are trying to achieve the same end.

[196] **Mick Bates:** This is an inquiry into animal welfare and meat hygiene services, and one of the critical issues regarding why this emerged was the increasing demand to recover costs. However, we have failed during this first session to put on record the average costs to producers who sell beef, sheep or poultry. Can you help us out and give some indication of the costs to an individual producer per annum?

[197] **Mr Howells:** Do you want me to try to give you an indication now?

[198] **Mick Bates:** If you cannot do it now, we would be happy to accept this information after the meeting, but it is critical to us.

[199] **Rhodri Glyn Thomas:** If you feel that it would be easier to provide the information through a note, we would welcome that.

[200] **Mr Jones:** I have in front of me a paper presented to the FSA board meeting in November 2009 and which we reference in our evidence. It refers to the annex on page 29 of that document. The Food Standards Agency board has now agreed that full cost recovery should be moved forward in consultation with industry and Government, and the paper refers to the full cost recovery of meat hygiene inspection charges being imposed in full on the farmer-producer for every animal slaughtered. I believe that these are the costs that you are looking for. In terms of the impact on beef producers, the average value of a beef animal would be £895—I hasten to add that these are average prices based on the volumes going through the abattoirs—and the current Meat Hygiene Service costs are £4.38. The proposal would be to roughly double that amount to £8.92, which is an increase of £4.54 to the farmer-producer. For sheep, the average value of an animal is £74. The current Meat Hygiene Service cost is 44p, and the proposed cost is 89p, which is an increase of 45p.

[201] **Mick Bates:** I thank HCC very much for those figures.

[202] **Rhodri Glyn Thomas:** I thank HCC as well for putting you out of your misery on this issue, Mick. [*Laughter.*]

[203] **Mick Bates:** As someone who sees the bill, the costs seem remarkably low compared with all the charges that are approved. Does that include the ante and post-mortem inspections?

[204] **Mr Jones:** As I emphasised, the charges per item are estimated by calculating the average cost and charge per animal unit, based on 2008-09 throughput volumes and hours, and 2009-10 charge rates.

[205] **Mick Bates:** Thank you very much. We need more clarity on the range of payments,

because my experience is that they are a bit higher than that.

[206] **Rhodri Glyn Thomas:** Those are average payments, so in smaller abattoirs the relative costs would be higher, would they not?

[207] **Mr Jones:** I would imagine so, although smaller abattoirs are subsidised to an extent by not being subject to full cost recovery, but perhaps that is an issue that we can cover later.

2.30 p.m.

[208] **Mick Bates:** Is that based on the number of livestock units per abattoir? Is that the mechanism used?

[209] **Mr Howells:** An important point to make is that the costs charged at the moment by the MHS on abattoirs include a proportion of Government subsidy, be that subsidy from DEFRA, WAG or from the Scottish Government. As I understand it, in the future, the MHS and FSA do not want to be responsible for administering that grant, so that they only concentrate on regulation and audit. The question remains as to how devolved administrations and the Westminster Government will continue to provide that subsidy if the FSA does not want to be a part of the subsidy or intervention process. Therefore, there needs to be a mechanism to ensure that that remains in place, in order to protect the interests of the abattoir sector in particular areas. It is also important to say that the abattoir structure differs hugely between England, Wales and Scotland. For example, in Wales we have 26 operational abattoirs, four of which are classed as large-scale abattoirs, while the rest are small to medium-sized abattoirs. Therefore, because of the profile of the abattoir structure and the need to protect the interests of that service going forward, intervention needs to be set at a certain level, whereas in England there might be a different way of doing it, because the profile of the abattoirs is different, and it will also be different in Scotland. Therefore, there is a need to look at it from a devolved aspect.

[210] **Mick Bates:** That was a useful statement; thank you. It is of great assistance to me to get a picture of where we are travelling to and why. Is there a reference to the kind of information that you have just given us in the HCC document, or should we look to the FSA?

[211] **Mr Howells:** That is in the FSA's document.

[212] **Mr Jones:** It is in the paper entitled 'FSA 09/11/06 Future Funding of UK Meat Controls', dated 10 November 2009. That paper is referenced in our evidence.

[213] **Mick Bates:** Yes, I have seen the reference, but only the total costs were given in your paper rather than individual costs. However, thank you very much for those breakdowns. We need to look further at the costs, Chair, so that we get a better understanding of them.

[214] **Rhodri Glyn Thomas:** Diolch yn fawr am yr ateb hwnnw. Mae wedi codi cwestiynau pellach a bydd yn rhaid i ni edrych arnynt. **Rhodri Glyn Thomas:** Thank you very much for that answer. It has raised further questions and we will have to look at them.

[215] **Brynle Williams:** Prynawn da. What impact do you believe the withdrawal of the subsidy to the MHS for UK meat controls will have on producers and other operators in Wales?

[216] **Mr Howells:** Following on from my previous answer, it is critical that we understand how intervention directly from the Government to the processing industry may work in future. I say that because the background of the processing sector for a long time, probably

more so now, has been one of wafer-thin margins, and abattoir vulnerability comes into play all the while. Therefore, with any costs or interventions, we need to understand what we want to achieve in terms of a viable processing sector and, therefore, channel the interventions appropriately so that we have a sustainable industry and abattoirs located where the stock is bred and produced.

[217] **Brynle Williams:** In your evidence, you state that you would like to see the Meat Hygiene Service and the FSA exploring ways of achieving further efficiencies. Can you give the committee any examples of where you see those savings?

**Mr Howells:** Over the past couple of years, the FSA and MHS have done a great deal of work on improving efficiencies. There is always more that can be done, and with the Meat Hygiene Service being merged with the Food Standards Authority over the next 18 months to two years, there will be an opportunity for the service to be further reviewed to improve efficiencies in the future. Part of that review might look at how best we can deliver the official controls, and whether we can partition the work, perhaps asking some abattoir personnel to undertake some duties, with the FSA as it will be, or the MHS, doing more audit work. A review could also look beyond a one-size-fits-all approach, which tends to be what happens now. It could be done using a risk-based system. Abattoir A might have all the controls in place and have a marvellous track record, but it could take quite a different approach to abattoir B, which might have had problems with compliance in the past. That is fair and justified, and that is the approach that we need to take, as opposed to one size fitting all, as that does not help the industry to mature, to take hold of the situation, and to move on.

[218] **Brynle Williams:** Ultimately, the primary producers will have to pick up the tab for this, will they not?

[219] **Mr Howells:** Undoubtedly, yes.

[220] **Brynle Williams:** We are already seeing flocks and herds decrease in number, as you said. The profit margins for the abattoirs are so thin, they could balance on a knife's edge, as they are for farmers. We will see an ongoing decrease in food production, as opposed to an increase, simply because of costs like these.

[221] **Mr Howells:** It certainly does not help. We are trying to develop an industry in which market signals prevail and are the driving force for production, certainly at the farm gate. Anything that we can do to minimise the costs borne by the supply chain and allow the farmer to get a greater percentage of the retail price back to the farm gate will help us to sustain a viable industry in the future. Hopefully, it will also stem the current annual reduction in the sheep flock and the beef herd.

[222] **Mr Jones:** Just to supplement the points that Gwyn was making, HCC would wish to see costs reduced and efficiency improved, and the two are related. There are two ways in which any additional costs, which we do not want to see imposed, could be attributed. They could be borne by the consumer or the primary producer, but history tells us that it is the primary producer who usually bears any additional costs.

2.40 p.m.

[223] **Mick Bates:** Thank you very much for that last section of answers, as I found them very useful. I will just come on to the issue of special risk management controls and the increasing age of the bovines allowed into the meat chain. We have heard evidence that there is a plan that the SRMs will no longer be costing the industry as much—because I assume that, as the BSE regulations allow animals of 16 months to enter the human food chain, there would be a reduction in cost. Is that assumption correct or will there still be a cost on the

SRMs from those animals?

[224] **Mr Howells:** As it stands, there will still be a cost. That is part of the review to get a more efficient system of official controls in place. Some of the things that we look for and do now with official controls are, in some cases, being done only because we have done them for the past 10, 20 or 30 years. There is a need for a mechanism to look at why we are doing these things and whether it is proportionate to the risk. If the risk is negligible or zero, we need to ask why we are doing it because it will add a cost where there is no need. With the opportunity presented by the MHS merging into FSA, we would encourage a review of the responsibilities that staff undertake to see whether all those things are still required. We heard the evidence session earlier, which mentioned spinal cord removal in sheep over 12 months old, and that is a case in point. I suspect that it will be a very slow movement to do away with that need. The fact that that is being audited now adds a cost, but it also adds a cost at the abattoir end because the carcasses have to be halved. There is a double cost there, in effect: one of looking and one of processing.

[225] **Mick Bates:** As an organisation, you are also concerned about moving towards the marketplace, as you said earlier, and are in touch therefore with consumer views. In view of your previous answer, do you think that the consumer would accept this move to remove these regulations, such as splitting a carcass and allowing older beef animals into the market? Will that be acceptable?

[226] **Mr Howells:** I think that consumers would definitely accept such a move if it were based on proper science. That is what we must encourage: the science must be reviewed frequently so that the controls are proportionate to the risks that they pose. The FSA has a statutory remit to protect consumers, and there needs to be a quicker or more efficient movement to deal with changes in scientific knowledge on certain issues.

[227] **Brynle Williams:** It was interesting to hear a previous witness giving evidence about how the spinal column in lambs or sheep is removed in France. Would it be fair to say that, once again, we need a major cultural change in the authorities with regard to the gold-plating of regulations? He indicated that France was prepared to accept that the process might leave 0.1 per cent behind. It is about this cultural change of gold-plating everything. Is that a fair comment?

[228] **Mr Howells:** It probably is a fair comment. France is operating under the same EU controls, but the interpretation might be different in France from what it is in the UK. Moreover, there is a more principled question that we can ask about that particular issue. BSE has never been found in sheep, so why are we removing the spinal column in France or the UK? The scientists need to bring that to bear and ensure that it is reflected in the official controls that we have.

[229] **Rhodri Glyn Thomas:** Yn ei dystiolaeth, awgrymodd yr NFU y byddai'n briodol ymchwilio i'r posibilrwydd o ddatganoli'r pwerau yn y maes hwn. A fydddech chi'n cefnogi hynny? A allai fod yn fuddiol?  
**Rhodri Glyn Thomas:** In its evidence, the NFU suggested that it would be appropriate to investigate the possibility of devolving the powers in this area. Would you support that? Would it be beneficial?

[230] **Mr Jones:** Credaf fod uno'r Asiantaeth Safonau Bwyd a'r Gwasanaeth Hylendid Cig yn rhoi cyfle euraidd inni edrych ar holl fframwaith sut mae rheoliadau'n cael eu gweithredu. Deallaf y bydd ymgyngoriad yn dilyn cyfarfod bwrdd  
**Mr Jones:** I think that the merger of the Food Standards Agency and the Meat Hygiene Service gives us a golden opportunity to look at the whole framework of how regulations are implemented. I understand that there is to be a consultation

yr Asiantaeth Safonau Bwyd ym mis Tachwedd, oherwydd penderfyniad yr asiantaeth i beidio â bod yn gyfrifol am dalu cymhorthdal i'r diwydiant o ran yr MHS. Mae'n symud i ymgynghori â'r diwydiant, Llywodraeth Cynulliad Cymru ac eraill. Dyma gyfle inni edrych ar holl fframwaith rheoliadau glendid bwyd, megis sut y'u gweithredir, a ydym yn gost-effeithiol yng Nghymru, ac a yw'r camau sy'n cael eu cymryd yma yn briodol ar gyfer y math o ddiwydiant sydd gennym. Mae gennym bedwar lladd-dy mawr sy'n cael eu cyflenwi gydag 80 y cant o'r eidion a'r defaid, a llawer iawn—tua 20—o ladd-dai bychan, ond dim llawer o ladd-dai canolig eu maint. Felly, mae'r cyfle yno i weithio gyda'r Asiantaeth Safonau Bwyd, Llywodraeth y Cynulliad a'r diwydiant i sicrhau bod gennym reoliadau cost-effeithiol sy'n sicrhau hyder y cyhoedd yn ein cynnyrch.

[231] **Rhodri Glyn Thomas:** Diolch ichi am eich tystiolaeth ysgrifenedig a llafar ac am ymateb i'r cwestiynau. Fel yr wyf wedi dweud wrth bob un o'r tystion eraill, os ydych yn sylwi ar rywbeth sy'n codi yn ein sesiynau derbyn tystiolaeth eraill ar y mater hwn ac os hoffech gyfrannu ymhellach, mae pob croeso ichi wneud hynny yn ysgrifenedig.

[232] Yn anffodus, nid yw cynrychiolwyr y Gymdeithas Frenhinol er Atal Creulondeb i Anifeiliaid yn medru bod gyda ni y prynhawn yma, felly rhaid inni dderbyn eu tystiolaeth yn ysgrifenedig yn unig.

[233] Daw hynny â'n trafodaethau i ben am heddiw. Yr unig beth y mae'n rhaid imi ei gyhoeddi yw y bydd cyfarfod nesaf yr Isbwyllgor Datblygu Gwledig ar ddydd Llun, 25 Ionawr, ym Mhentre-bach, Merthyr Tudful.

following a meeting of the FSA board in November, as a result of its decision not to continue to be responsible for paying subsidies to the industry via the MHS. It is making moves to consult with the industry, the Welsh Assembly Government and others. This is an opportunity to look at the whole framework for food hygiene regulations, such as how they are implemented, whether we are cost-effective in Wales, and whether the steps that are taken here are appropriate for the kind of industry that we have. We have four large abattoirs that are supplied with 80 per cent of the beef and lamb, and a large number—around 20—small abattoirs but not many medium-sized abattoirs. So, there is an opportunity to work with the Food Standards Agency, the Assembly Government and the industry to ensure that we have cost-effective regulations that safeguard the public's confidence in our produce.

**Rhodri Glyn Thomas:** Thank you for your written and oral evidence and for responding to the questions. As I have said to all our other witnesses today, if you notice anything emerging from our other evidence-gathering sessions on this matter and you wish to contribute further evidence, you would be more than welcome to do so in writing.

Unfortunately, the representatives of the Royal Society for the Prevention of Cruelty to Animals are unable to join us this afternoon, and so we will receive only their written evidence.

That brings today's proceedings to a close. All that remains for me to announce is that the next meeting of the Rural Development Sub-committee will be on Monday, 25 January, in Pentrebach, Merthyr Tydfil.

*Daeth y cyfarfod i ben am 2.47 p.m.  
The meeting ended at 2.47 p.m.*