



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

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

**Dydd Iau, 29 Tachwedd 2007  
Thursday, 29 November 2007**

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Cofnodir y trafodion hyn yn yr iaith y llefarwyd hwy ynnddi 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 pwyllgor yn bresennol**  
**Committee members in attendance**

Alun Davies	Llafur (Cadeirydd yr Is-bwyllgor) Labour (Sub-committee Chair)
Mick Bates	Democratiaid Rhyddfrydol Cymru Welsh Liberal Democrats
Andrew R.T. Davies	Ceidwadwyr Cymreig (yn dirprwyo ar ran Brynle Williams) Welsh Conservatives (substitute for Brynle Williams)
Alun Ffred Jones	Plaid Cymru The Party of Wales

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

Lorraine Barrett	Aelod Cynulliad, Llafur Assembly Member, Labour
Huw Brodie	Cyfarwyddwr, Adran Materion Gwledig Director, Department for Rural Affairs
Dr Christianne Glossop	Prif Swyddog Milfeddygol, Swyddfa'r Prif Swyddog Milfeddygol Chief Veterinary Officer, Office of the Chief Veterinary Officer
Elin Jones	Aelod Cynulliad, Plaid Cymru (y Gweinidog dros Faterion Gwledig) Assembly Member, Plaid Cymru (the Minister for Rural Affairs)
Rory O'Sullivan	Pennaeth Is-adran, Is-adran Polisi Cefn Gwlad Head of Division, Countryside Policy Division

**Swyddogion Gwasanaeth Seneddol y Cynulliad yn bresennol**  
**Assembly Parliamentary Service officials in attendance**

Joanne Clinton	Dirprwy Glerc Deputy Clerk
Dr Virginia Hawkins	Clerc Clerk

*Dechreuodd y cyfarfod am 11.08 a.m.*  
*The meeting began at 11.08 a.m.*

**Cyflwyniad, Ymddiheuriadau, Dirprwyon a Datgan Buddiannau**  
**Introduction, Apologies, Substitutions and Declarations of Interest**

[1] **Alun Davies:** Mae'n rhaid i mi ddechrau drwy wneud y datganiadau arferol. Os oes larwm tân yn seinio, gofynnaf i chi adael yr ystafell drwy'r allanfa dân gan ddilyn unrhyw gyfarwyddiadau gan y staff. Dylech sicrhau bod pob ffôn symudol, BlackBerry ac yn y blaen wedi ei ddiffodd. Yn amlwg, mae'r Cynulliad yn gweithredu drwy gyfrwng y Gymraeg a'r Saesneg ac mae'n bosibl dilyn ein cyfarfod gan ddefnyddio'r clustffonau ar sianel 1 neu

**Alun Davies:** I must start by making the usual announcements. If a fire alarm should sound, you are asked to leave the room through the fire exit and to follow any instructions given by the staff. You should ensure that all mobile phones, BlackBerrys and so on are switched off. The Assembly obviously operates through the media of English and Welsh and it is possible to follow our meeting by using the headphones on channel 1 or channel 0.

sianel 0.

11.10 a.m.

### **Datblygiadau o ran yr Achosion Diweddar o Glwy'r Traed a'r Genau Developments with the Foot and Mouth Disease Outbreak**

[2] **Alun Davies:** Croeso, Weinidog, a diolch yn fawr am eich parodrwydd i ddod yma unwaith eto yn ystod y mis hwn i ddilyn ein trafodaethau ar glwy'r traed a'r genau. Yr wyf yn ddiolchgar iawn ichi am gynnig eich amser ac am y papur yr ydych wedi ei baratoi ar ein cyfer. Dechreuaf drwy ofyn i chi, Weinidog, gyflwyno eich swyddogion ac i ddweud gair er mwyn cyflwyno eich papur.

**Alun Davies:** Welcome, Minister, and thank you very much for your willingness to come here once again this month to follow our discussions on foot and mouth disease. I am very grateful that you offered to give of your time and for the paper that you have prepared for us. I will start by asking you, Minister, to introduce your officials and to say a few words to introduce your paper.

[3] **Y Gweinidog dros Faterion Gwledig (Elin Jones):** Diolch, Gadeirydd. Yma heddiw y mae Rory O'Sullivan, sef pennaeth adran polisi cefn gwlad, a Christianne Glossop, prif swyddog milfeddygol Llywodraeth y Cynulliad. Diolch am y cyfle i ddod yma i adrodd ar hynt a helynt clwy'r traed a'r genau a'i effaith yng Nghymru.

**The Minister for Rural Affairs (Elin Jones):** Thank you, Chair. I am accompanied by Rory O'Sullivan, who is head of the division dealing with countryside policy, and Christianne Glossop, the Welsh Assembly Government's chief veterinary officer. Thank you for the opportunity to attend committee to give you an update on foot and mouth disease and its effect on Wales.

[4] Dechreuaf drwy ddweud ychydig fel cyflwyniad i'r papur. Gobeithiaf fod y papur yn hunanesboniadol. Wrth glywed y newyddion am glwy'r traed a'r genau gyntaf oll, gosodais ddau amcan i'r gwaith yng Nghymru. Yr oedd y penderfyniadau a wnaed yn sgîl clwy'r traed a'r genau i gyd yn ymwneud â'r ddau amcan hwnnw. Y prif amcan oedd cadw'r clefyd allan o Gymru a chadw Cymru'n rhydd o glwy'r traed a'r genau. Yn ail, ond yn eilradd i'r prif amcan, oedd yr angen i ailgyflwyno symud anifeiliaid o ran masnach a chystadleurwydd yn y diwydiannau amaethyddol a chynhyrchu cig cyn gynted ag y byddai'n ddiogel i wneud hynny, fel bod yr effaith economaidd ar y diwydiant yng Nghymru yn cael ei leihau cymaint â phosibl.

I will start by saying a little by way of introduction to the paper. I hope that the paper is self-explanatory. On first hearing the news of the foot-and-mouth-disease outbreak, I set two objectives for our work in Wales. The decisions made in the wake of the outbreak were related to those two objectives. The main objective was to ensure that the disease did not emerge in Wales and to maintain Wales's foot-and-mouth-disease free status. Secondly, and secondary to the main objective, was the need to reintroduce animal movement in terms of trade and competitiveness in the agriculture and meat production industries as soon as it was safe to do so, thereby ensuring that the economic impact on the industry in Wales was minimised as much as possible.

[5] Cafodd pwerau o ran symud anifeiliaid eu datganoli i Gymru ers yr achosion o'r clwyf yn 2001, felly yr oedd nifer o'r pwerau a oedd yn ein galluogi i ymwneud â'r ddau amcan hwnnw o fewn fy ngallu i yn Llywodraeth y Cynulliad. Fodd bynnag, nid oedd gennym y pwerau o safbwynt yr hyn a gafodd yr effaith

Powers over animal movement were devolved to Wales following the foot-and-mouth-disease outbreak in 2001, therefore, many of the powers that enabled us to deal with those two objectives were within my remit in the Assembly Government. However, we did not have powers in relation to the aspect that had the greatest economic

economaidd fwyaf yng Nghymru, sef pwerau dros y farchnad allforio. Yr oedd y penderfyniadau ar ba bryd i ganiatáu allforio o Gymru ac o wledydd Prydain i Ewrop yn gorwedd gyda milfeddygon ar lefel Ewropeaidd, yn gyntaf, cyn cael eu cadarnhau gan y Comisiwn Ewropeaidd. Felly, credaf, o ran yr effaith economaidd, fod y gwaharddiad ar allforio wedi cael effaith sylweddol ar y diwydiant cig oen yng Nghymru yn enwedig. Yr oedd y pwerau dros hynny, yn naturiol, yn gorwedd y tu hwnt i'n gallu ni yng Nghymru oherwydd penderfyniadau gwledydd a oedd yn mewnfario ein cig a'n hanifeiliaid ynghylch pryd yr oeddent yn teimlo ei bod yn ddiogel iddynt wneud hynny.

impact in Wales, namely powers relating to the export market. The decisions on allowing export to Europe from Wales and the countries of Britain lay with veterinary officers on a European level, in the first instance, to be subsequently confirmed by the European Commission. Therefore, I believe, in terms of the economic impact, that a ban on export had a very significant impact on the lamb industry in Wales in particular. The powers over that, naturally, were outwith our remit in Wales, due to decisions made by countries that import our meat and animals as regards when they felt that it was safe to do so.

[6] **Alun Davies:** Diolch. Dylwn fod wedi dweud yn gynt fod Andrew R.T. Davies yn dirprwyo ar ran Brynle Williams yn y cyfarfodydd hyn. Croeso, Andrew.

**Alun Davies:** Thank you. I should have said earlier that Andrew R.T. Davies is acting as a substitute on behalf of Brynle Williams in these meetings. Welcome, Andrew.

[7] Bydd Lorraine Barrett yn gofyn y cwestiwn cyntaf.

Lorraine Barrett will ask the first question.

[8] **Lorraine Barrett:** The National Farmers' Union of Wales has expressed that the cost of the outbreak to the farming industry in Wales has reached £40 million. What is the Welsh Assembly Government's estimate of the cost of the outbreak to Wales?

[9] **Elin Jones:** I was at the meeting of the Assembly's Finance Committee last week, at which a paper by Hybu Cig Cymru was presented. Hybu Cig Cymru is the red meat promotion agency in Wales and is a Government and industry agency. Its estimate of the impact on the sheep sector was in the region of £30 million. The NFU then extended that to encompass the dairy sector, including the impact of the export ban on calves. Therefore, the Hybu Cig Cymru estimates are, to an extent, those that I would use to advise me in relation to the impact of foot and mouth disease because they are clearly estimates based on market prices. I said in the Finance Committee meeting last week that the £40 million summary of costs from the NFU and Hybu Cig Cymru as regards the current impact of foot and mouth disease seemed reasonably robust. Again, I would say that the full impact is not yet known because market prices have possibly not caught up with where they should be at this point in the year, and, therefore, the total cost will not be known until well into next year.

[10] **Lorraine Barrett:** Will you be carrying out any independent research into those costs? Obviously, the organisations that you just mentioned would feed into that anyway, but are there some out there that are not yet being taken into account and will you be looking at that in due course?

[11] **Elin Jones:** Hybu Cig Cymru is the agency that provides the Government with the estimates on costs for the red meat sector, which is primarily the sector that has been affected by this outbreak. Therefore, Hybu Cig Cymru has been providing advice, as it did throughout the summer, on the impact on the industry and the meat industry. It has indicated to Government that the cost for the sheep sector is £30 million, and I would suggest that that is quite a robust figure to date.

[12] **Lorraine Barrett:** Have you had any discussions with representatives from the wider rural economy who might have been affected by the outbreak?

[13] **Elin Jones:** I do not recall receiving representations from others in the rural economy as regards there being a significant impact as a result of this disease outbreak. We formed our stakeholder group at the beginning of August, which included representatives from the tourism sector and the countryside sector more generally and met at least twice weekly, and we were not being told that there was a significant impact due to foot and mouth disease. We made very early decisions and announcements as a Government that the countryside should remain open for business throughout August. That was a deliberate decision that we took in the light of what happened in 2001, namely that there was an idea that the countryside was closed—to an extent, of course, it was, because footpaths and other paths were closed. A lesson that was learnt from 2001 was that that overreaction was not necessary in areas where the disease was not present. So, I believe that the impact on the wider rural economy has not been anything like the impact of the outbreak in 2001. Of course, there is an impact on businesses that relate quite closely to agriculture; I know that we have had representations from businesses that are expecting to be paid by farmers for various feedstuffs or services that they provide to farmers. Because of the pressure on farming incomes due to the low prices at this point, there is a case that those who are very closely related to agriculture feel under pressure now.

[14] **Lorraine Barrett:** I was thinking back to 2001, when the Youth Hostel Association was hit pretty hard, but you have covered the issue of tourism and the wider impact.

[15] **Alun Ffred Jones:** Hoffwn ddilyn y pwynt hwnnw. Un diwydiant a effeithiwyd yw'r lladd-dai. A ydych yn monitro sefyllfa'r lladd-dai? A oes gennych unrhyw ddarlun pellach o'r hyn sydd wedi digwydd o fewn y diwydiant hwnnw? A yw'n llwyddo i oresgyn y problem?

**Alun Ffred Jones:** I wish to follow up that point. One industry that has been affected is the abattoirs. Are you monitoring the position of slaughter houses? Do you have a further picture of what has occurred within that industry? Is it succeeding in overcoming the problem?

[16] **Elin Jones:** Yr ydych yn iawn i sôn am y problemau penodol y mae'r lladd-dai yn eu hwynebu fel un o'r diwydiannau sy'n perthyn yn agos iawn i amaethyddiaeth. Yr oedd achos yn eich etholaeth chi lle gorfodwyd lladd-dy a oedd yn canolbwyntio'n bennaf ar y farchnad allforio i beidio â gweithio am gyfnod. O edrych ar glwy'r traed a'r genau a'r angen i osod gwaharddiadau symud, un o'r gwaharddiadau cyntaf i'w codi oedd y gwaharddiad ar symud anifeiliaid yn syth i ladd-dai. Yr oedd hynny'n caniatáu i ffermwyr fasnachu rhywfaint o'u hanifeiliaid ac i'r lladd-dai ymwneud rhywfaint â'u gwaith. Nid wyf wedi cael unrhyw wybodaeth am achosion penodol gan ladd-dai ynghylch problemau sy'n parhau.

**Elin Jones:** You are right to talk about the specific problems that slaughter houses face as one of the industries that are closely related to agriculture. There was a case in your constituency where a slaughter house that primarily focused on the export market was forced to stop operating for a period of time. In looking at foot and mouth disease and the enforcement of movement restrictions, one of the first restrictions to be lifted was on the movement of animals directly to slaughter houses. That enabled farmers to sell some of their animals and for the slaughter houses to get on with some of their work. I have not received any information on specific cases from slaughter houses regarding ongoing problems.

[17] Erbyn hyn, wrth gwrs, mae'r gwaharddiadau ar y farchnad allforio ar lefel yr Undeb Ewropeaidd wedi'u codi'n llwyr. Felly, er bod cyfnod hir wedi'i gollu o ran y

By now, of course, the restrictions on the export market at a European Union level have been lifted entirely. So, although a long time has been lost in terms of the export

farchnad allforio, mae rhywfaint o gyfnod ar ôl ar gyfer allforio, ac mae'r lladd-dai, hyd y gwn i, yn gweithredu yn llawn.

market, there is still some time left for exporting, and, as far as I am aware, the slaughter houses are again fully operational.

11.20 a.m.

[18] **Andrew R.T. Davies:** May I put two points to the Minister? The question was quite specific: what is the Welsh Assembly Government's current estimate of the cost to the industry? Does the Welsh Assembly Government even have a current estimate of what it has cost the industry? The Finance Committee has taken evidence, and the auctioneers, the National Farmers' Union, and Hybu Cig Cymru have all given their figures, and so surely the civil service has managed to collate a figure for you to work on, especially as you are supposedly going to the Treasury to work up a package of some sort.

[19] Secondly, given that you are basing this on Hybu Cig Cymru's figures, which are specific to the sheep industry, do you not recognise the real difficulty that the dairy industry and the beef suckler industry are faced with, through the collapse in the price of barren cows and the inability to move calves? This goes far wider than the sheep industry, which seems to be in the spotlight time and again; it affects the entire livestock industry.

[20] **Elin Jones:** To answer the question specifically, the Hybu Cig Cymru estimates also form part of the NFU's £40 million estimate, and I have acknowledged that as the cost. Hybu Cig Cymru provides market advice to the Government and, therefore, I recognise its figures as the costs of this outbreak to the sheep and cattle sectors in Wales.

[21] You mentioned negotiating a package with the Treasury and the Department for Environment, Food and Rural Affairs. As I made clear to the Finance Committee last week, and as I make clear here, we are not at a stage of negotiation, because there is a fundamental disagreement between us over the principle of who pays. I do not want to mislead you into thinking that I am negotiating on particular sums of money, because we are not at that stage; we are at a stage of the Westminster and Welsh Assembly Governments disagreeing over who should meet the costs of any economic recovery or welfare packages resulting from the latest outbreak. That is also the case between the Scottish Government and the Westminster Government.

[22] **Mick Bates:** In reference to your comment about the impact on the tourism industry, and the fact that the countryside was not closed down this time as it was during the 2001 outbreak, I want to point out a significant difference. In 2001, we had pyres all over the place and animals being disposed of, which gave rise to different circumstances requiring a different response. Of course, I am pleased and supportive of the fact that people were able to walk in the countryside and undertake normal tourism activity this time. However, to return to Andrew's point about your opinion of the cost to the industry, Minister, I may have missed it, but I did not hear a figure mentioned. Could you put on record the figure that the Government feels is the cost of the outbreak to Welsh farming?

[23] **Elin Jones:** I have already said that I believe that £40 million is a robust figure, which includes the element of the sheep sector and the element of the dairy sector, the cattle sector and calves not being available for export. They are all part of that £40 million figure. However, that it is just the figure to date, and perhaps it will not be the eventual endgame figure. I am aware of the continuing costs to the farming industry resulting from the foot-and-mouth-disease outbreak and the closure of the export market, particularly for lambs.

[24] **Mick Bates:** Just to clarify that for everyone, the Government estimate of the costs of this outbreak so far, from August, is £40 million.

[25] **Elin Jones:** As I said in the Finance Committee last week, the estimates given there were sufficiently robust that I did not feel the need to challenge them in any way. A large part of that is the estimate from Hybu Cig Cymru, which is part of Government, as you know. We look to HCC for advice on market issues that affect the red meat sector, so you would expect it to be the organisation to advise us on costs in this context.

[26] **Mick Bates:** What was its estimate of the loss?

[27] **Elin Jones:** The total in its paper last week was £30 million, and it included a breakdown of that figure.

[28] **Mick Bates:** Perhaps it will come up later.

[29] **Alun Davies:** I would like to move on, if we can. The Minister is on record giving an explanation of these issues at last week's Finance Committee. I will ask that a transcript of that committee be circulated to members of this committee before we make our report. I want to move on to the policy issues now, and to discuss how the Minister and the Assembly Government responded to the foot-and-mouth-disease outbreak. I would like to start with discussions about the relationship between the Assembly Government and the UK Government.

[30] **Mick Bates:** Minister, your paper refers to the creation of Emergency Co-ordination Centre Wales to facilitate engagement with DEFRA for meetings of the animal disease policy group, the national experts' group and COBRA. Obviously, there was a great deal of co-ordination. How regular were your discussions with the UK Government representatives, and do you still have regular discussions on this outbreak?

[31] **Elin Jones:** I will ask Christianne to mention the discussions between the Assembly Government and DEFRA at official level. At the beginning of August, and again with the outbreak in September, there were ministerial COBRA meetings, led initially by Gordon Brown and then by DEFRA Ministers. When possible, I attended those ministerial meetings, representing Wales with my officials. The Scottish Minister also attended to represent Scotland. During the early stages of both disease outbreaks, those meetings were held twice a day. Welsh Assembly Government representation was by telephone link, as was the Scottish representation. From what I understand, although I was not around in that capacity at the time, it was a great improvement on the situation in 2001, when there was no telephone link, and it was a matter of our having a person in DEFRA reporting back by phone after the meetings had happened. This time, it was a matter of co-operation, as we were involved in the meetings, and we were able to sit in with Christianne's officials and with other policy officials to raise any issues of particular concern to Wales with the Prime Minister or the Minister of State. Christianne, do you wish to say something about that at official level?

[32] **Dr Glossop:** There are layers upon layers of meetings during a disease outbreak such as this. Some of the meetings that are now part of the contingency plan emerged from the Anderson inquiry of 2001, which demonstrated the need to take such a cohesive approach. So, with the national disease control centres set up in London, there were three bird-table meetings a day between all interested parties. You will appreciate that a bird-table meeting is a very quick look at the emerging issues, and the idea is not to get into the detail. I see that perhaps you do not know about bird tables.

[33] **Alun Davies:** It is a new expression for us.

[34] **Dr Glossop:** The idea is that everyone stands up at the meeting, and that avoids too much discussion as you are not terribly comfortable. Standing up, you deliver a quick report on where you are with the situation. Such meetings always begin with a situation report,



detailing the number of disease outbreaks, the number of animals culled, and so on. DEFRA's Animal Health agency would also give a report. Every group around the table would describe the situation that it found itself in, with a view to resolving those situations between one bird table and the next. There was one at 8 a.m., one at 12 p.m. and one at 5 p.m. every day, including weekends. In addition, there is the animal disease policy group, which advises DEFRA Ministers directly, and devolved administration Ministers indirectly through their officials.

11.30 a.m.

[35] That grouping was set up, and the devolved administrations also have a place at that table. Those meetings take place as necessary when policy decisions need to be taken. Underneath the animal disease policy group is the national experts group, and the animal disease policy group would pose questions to the national experts group on a particular matter of policy that needed veterinary or scientific input—perhaps a question about the level of surveillance in the surrounding farms, or whether it was relevant to carry out dangerous-contact culling. That kind of question would be given to the experts' group, which would be required to deliver an answer within a short timeframe—perhaps only a matter of hours—for the animal disease policy group to make policy recommendations to Ministers.

[36] In addition to that, we had regular and frequent meetings as devolved administration, which tended to involve the chief veterinary officers of England, Scotland, Northern Ireland and Wales. We would meet by telephone quite often, and it was a daily event to update each other on the situation as it emerged.

[37] In between those official meetings, there would be endless phone calls between the CVOs. I spoke to Debbie Reynolds at least once a day, along with Glenys Stacey, chief executive of Animal Health, who was responsible for delivering the policy on the ground. So, there was a huge amount of correspondence and communication to make sure that we understood what was happening. That did not always happen perfectly; when emergencies happen, we have to learn along the way. However, that structure is in place and, for the most part, we were able to keep abreast of developments and feed into developments as the story unfolded twice, in August and in September.

[38] **Mick Bates:** That is interesting information for us. I would like to make two points on the different layers. When did the bird-table meetings stop? How are the meetings at each of those levels recorded? If they are recorded, are the records, such as minutes or exchange of letters, in the public domain?

[39] **Dr Glossop:** The bird tables are still going on, although not three times a day. You might recall that the incidence of bluetongue overlapped the outbreak of foot and mouth disease, and then avian flu overlapped bluetongue. So, bird tables are still happening. In fact, it is a source of frustration that they are still going on but that we are now talking about three diseases and not one.

[40] There is a record of all the other meetings that I have talked about, which is produced in time for the next meeting—which is quite a deadline if there are two of those meetings a day—but the deliberations of those meetings are not in the public domain. The recommendations to Ministers would be treated as any other briefing or other recommendation to Ministers that emerge from those discussions.

[41] **Mick Bates:** You have told us about many levels. What about the policy group advisory level?

[42] **Dr Glossop:** That was the group that I was really talking about. A record is taken of

the animal disease policy group meeting, but that is not in the public domain. However, the recommendations coming out of that meeting, the submission that would go to Ministers, would be treated in the same way as any other ministerial communication.

[43] **Mick Bates:** Are those records in the public domain now?

[44] **Dr Glossop:** Do you mean the records of the meetings?

[45] **Mick Bates:** No, sorry, the recommendations.

[46] **Dr Glossop:** No.

[47] **Mick Bates:** Thank you. As the Minister is aware, I have written to ask for lots of the recommendations and I am informed by letter that they will be made available. Do you wish to comment on that?

[48] **Elin Jones:** I have had no sight of your communication to date. What are you expecting us to put in the public domain?

[49] **Mick Bates:** The Minister is aware that I have raised questions on this in Plenary. I will leave the issue. However, I have written to the Counsel General and Leader of the House about it and have had a response to say that information will be available.

[50] **Elin Jones:** I have heard you mention in Plenary my discussions with Hilary Benn and other Government Ministers on funding issues. Is that what you are referring to?

[51] **Mick Bates:** That is the specific issue there, but—

[52] **Elin Jones:** That is not what Christianne is talking about.

[53] **Mick Bates:** No, they are different. However, if the same process were undertaken, we would be allowed to see those recommendations.

[54] **Elin Jones:** For a start, all of the meetings that you have referred to are led by DEFRA and we are involved in them. So, it would not be a decision for us to make public any of the records of those meetings.

[55] **Mick Bates:** Finally on this issue, the Welsh Assembly Government therefore holds no record of these meetings that are all held in DEFRA, does it?

[56] **Elin Jones:** Do you mean the minutes of the animal—

[57] **Mick Bates:** Do you keep records of policy recommendations from the policy group at the Welsh Assembly Government? According to your previous answer, they are the property of DEFRA, are they not?

[58] **Dr Glossop:** We take notes at those meetings, clearly, so we have records.

[59] **Elin Jones:** To an extent, I am struggling to understand what exactly you are trying to get out of this questioning. If I understood that more clearly, I would probably be able to give you a clearer answer.

[60] **Mick Bates:** I apologise that it was not clear enough. What I was trying to get at was whether the Welsh Assembly Government holds its own records of all these meetings, and the policy group recommendations? If I understood your previous answer correctly, you said that

they are the property of DEFRA.

[61] **Elin Jones:** The officials would be taking notes during these meetings—I have no doubt about that. As has been outlined several times today, the meetings are short and sharp; the COBRA meetings in which I have been involved are certainly short and sharp. These are working meetings to deal with a specific situation that arises during days of disease control. Therefore, these are not high-level policy meetings in terms of long-term policy decisions; they are about putting the contingency plan that is in place into action, and taking decisions that can be taken at official level. If they then need to be referred for ministerial decision making in Wales, England and Scotland, then those submissions would come to me, as is usual practice in Government.

[62] **Alun Davies:** Thank you for that, Minister.

[63] **Mick Bates:** I will move on to the resource issue, if I may.

[64] **Alun Davies:** Yes. If there are issues around access to information that this committee feels it needs to address, it would be useful if we did that through the Counsel General and Leader of the House, rather than through individual Ministers.

[65] **Elin Jones:** I should also stress a point that I may not have highlighted enough, namely that, during all this, we held at least twice weekly full stakeholder meetings with all our stakeholders, which I chaired personally, throughout August, September and into October. Those happened twice a week. The meetings that Christianne referred to—the bird-table meetings, and all the others—were reported to those stakeholders, and discussions that we were having that involved stakeholders were held openly within those meetings. In addition to that, Christianne and her team were also having daily bird-table meetings with key stakeholders in the agricultural and livestock industries in Wales.

[66] **Mick Bates:** Finally, given that we can already see the amount of work that took place in terms of meetings, what was the impact on Assembly Government staff resources during such an outbreak of foot and mouth disease?

[67] **Elin Jones:** My initial comment on that is that the impact was considerable, but I am sure that Christianne could outline that in more detail.

[68] **Dr Glossop:** On the direct managing of the disease outbreak from a Wales perspective—the production of licences for movement, veterinary risk assessments, analysing movement records, everything that related to Wales, and all those meetings that we have just detailed—I have a team of about 38 staff, who are based in three sites: Caernarfon, Carmarthen and Cardiff. We were required to man a co-ordination centre; we needed to be there from 7 a.m. until 7 p.m., seven days a week, from 3 August, through until probably the beginning of October. We had some help from people such as Rory, who stepped in to support us. We pulled in one or two other people when the rota was getting too difficult, but it was mostly absorbed, or swallowed up, by my team.

[69] You might then ask what has dropped off if they were totally involved in that. I have just gone through the mid-year review process with all my heads of branch and my vets, and I have asked them that direct question—against our business plan, what is likely to miss its deadline, or what will not happen? They are confident at present that we will have kept up with everything that we committed to do, and I have no reason to assume that we are in any different position. However, that would be testimony to the fact that everyone worked long, significant hours.

11.40 a.m.

[70] Another thing that I am doing at present is looking at the number of hours that people worked in August, September and October because, had that outbreak gone on for longer, or had it expanded into Wales, we would have been in a position where we would have had to bring in people from other divisions and departments. With a small team of 38, it is a lot of pressure, especially when anyone coming from our Carmarthen office, for example, to help for the day, has three hours of driving before they even get into the office to support that work. I think that everybody recognises that a huge effort went on, by a small number of people, for quite a sustained length of time.

[71] **Elin Jones:** How slowly do you drive, if it takes you three hours to get from Carmarthen?

[72] **Dr Glossop:** No, an hour and a half each way: you go home at the end of the day. *[Laughter.]*

[73] **Alun Davies:** Minister, I am not entirely sure that we want to know how fast you drive between these different places.

[74] **Mick Bates:** I would also like to put on record that the experience of Members and other people of dealing with your staff was a very positive one. I second what you said about the effort that staff put in: it was commendable. Trading standards officers deal with the implementation of much of this on a local-authority basis and yet their funding is currently being cut. As you are aware, the animal health plans are submitted to you on an annual basis and I understand that DEFRA is cutting this. Are you concerned about what I believe to be a cut of 12 per cent? If this cut goes ahead, will they be able to undertake their duties to control disease as they should?

[75] **Dr Glossop:** We were pleased that during the foot-and-mouth-disease outbreak, Jane Shepherd, who represents the WLGA, had a desk in our co-ordination centre throughout the whole period. That was extremely helpful and we developed an extremely effective working relationship between us, in terms of policy and new licensing and so on, and the delivery of those licences through Animal Health and also local authorities.

[76] You have asked about the requirement to have funds reduced through the framework agreement. Actually, on this budget year and the impact that it might have on Wales, I held a meeting last week with three representatives from local authorities and asked them to go back to all 22 local authorities to ask how they are going to absorb the proposed reduction. We are wondering whether it could be absorbed on an all-Wales basis by looking at the kind of work that is being done in each area and having a close look at priorities. I cannot report on that yet because they have gone away to do that work and they will then report directly to me. However, I have made it clear that our prime objectives are still to protect Welsh livestock from the introduction of infection, so they completely understand that the kind of work that they do at markets and en route to abattoirs—all the biosecurity aspects of the work—are of the highest priority. In terms of what impact the reduction in funding will have, within year, on Wales, I cannot answer on that yet as they are in the process of developing that answer for me. However, we do understand that it is an issue and, yes, of course I am concerned about it.

[77] **Andrew R.T. Davies:** May I just clarify something, Christianne? I would like to put on record my gratitude to the staff because they worked extremely hard in difficult conditions. However, did you say that your division coped and managed it without any secondment from other sectors of the Welsh agricultural fraternity in the civil service?

[78] **Dr Glossop:** There were times when we brought people in and Rory is an example of that—he came in and co-ordinated operations for a time—and we brought others in, as

necessary. We also brought in one or two administrative staff, at other levels, to support us. However, overall, we were able to absorb the work in-house. We have a contingency plan that maps out for us our proportionate response, depending on the level of emergency. This was an interesting emergency for us, because we did not have infectious disease in Wales, which is a very different situation. Obviously, I am delighted about that, but it was quite a sobering thought that that amount of work was generated, despite the fact that we did not have infectious disease in Wales. Should we have an outbreak of disease in Wales, our contingency plan will ramp up that activity and, at that point, we have lists of people who are on our volunteer panel, if you like, who can be brought in when we need to increase capacity. Our judgment was that we did not need to do that. I was trying to balance dealing with the emergency with business as usual, because we have an important agenda that goes outside of the exotic disease issue that we were trying to maintain. However, we were reviewing that daily. I had meetings with my team to consider, ‘Can we cope with this, how do we manage, and do we need to bring people in?’, and the judgment was that we did not need to. However, that plan is in place should we need to.

[79] **Andrew R.T. Davies:** Therefore, with that in mind, Minister, can we take it that, because there was no mass transfer of staff, other delivery projects under your brief, namely the single farm payment, Tir Gofal, and Tir Cynnal, should be delivered on time and that foot and mouth disease should not be used as a reason should delays occur?

[80] **Elin Jones:** You are correct in making that assumption. I hope that the fact that I was able to announce on Tuesday that we have yet again met the single farm payment, and that 75 per cent of farmers in Wales will receive their payment on the first day that we are allowed to pay them, namely next Monday, 3 December, has shown that that department has not in any way been affected by the foot-and-mouth-disease outbreak. Therefore, there are issues. For example, and I have said this publicly, with regard to the TB eradication plan—and the people who would be working on the TB eradication plan will be led by the chief vet—some of that work may well be available to me, in terms of the planning process, slightly later than I would have hoped for in July, when I was appointed. However, I do not believe that that poses a great problem for us, because the additional funding that we have achieved for TB eradication does not kick in until next April, and therefore I do not believe that we have lost too much ground on that.

[81] **Alun Davies:** Thank you, Minister. In concluding this aspect of our discussions, can I take it from your answers that you are satisfied with the liaison with the UK Government throughout this period?

[82] **Elin Jones:** Yes, you can. There are some issues that, on a day-to-day basis in the heat of disease control, caused us some communication problems, but, in general, the co-operation and collaboration was good. You will be aware that Ian Anderson—I am not sure whether he is a doctor or a professor—is currently undertaking a review of the foot-and-mouth disease experience for the UK Government. He was the one who undertook the review in 2001, and I am seeing him this afternoon. He is in Wales today to take evidence on our views on how the foot-and-mouth-disease outbreak in 2007 was handled.

[83] **Alun Davies:** Thank you for that, Minister. I would like to move on to another aspect of this issue, namely promoting Welsh products.

[84] **Andrew R.T. Davies:** You and the First Minister are on record in Plenary, Minister, as having said that you have had a meeting with the main multiples—the supermarkets. We must all recognise that between 70 and 80 per cent of red meat goes through those supermarkets and that they are an integral part of promoting and delivering red meat to the consumer. Could you highlight the benefits, or the outcomes, of that meeting a few weeks on? Can you tell us about any tangible benefits from that meeting? Can you also give us an insight

into the level of participation by the supermarkets, that is, which supermarkets came along and engaged with you, given that there are only four or five big ones? At what level was that participation? Was it at director level, management level, or just public relations level, in terms of the staff who engaged with the Welsh Assembly Government to try to help to alleviate the problem in the red meat sector because of foot and mouth disease?

[85] **Elin Jones:** The meeting happened in early September, as I recall. It was well-attended in terms of the supermarkets that—

[86] **Andrew R.T. Davies:** I believe that it was on 22 September.

11.50 a.m.

[87] **Elin Jones:** Thank you for that. I cannot recall at present how many of the supermarkets attended, but most of the major players in Wales were represented. I think that one large supermarket failed to make the meeting, but the rest of the obvious suspects were there. The representation was a mixture of people who deal with political relations and meat procurement officials from the supermarkets; so, it was a combination of both. The purpose of the meeting was to directly show the supermarkets the level of political support in Wales for the red meat sector, and to impress upon them the urgency of supporting that sector, given that the export markets in particular were then closed. We were pleased that the supermarkets recognised that. When supermarkets come to such a meeting, they will not start talking about their individual procurement, or about marketing exercises in-store—we were not expecting them to do that. However, it opened a door for us and Hybu Cig Cymru to follow up with individual discussions with the supermarkets about the £1 million of additional funding that the Assembly Government put in place for red meat promotion. We were able to discuss how that should be used. A large part of it has been spent on increasing awareness of Welsh lamb through television advertising and Sunday supplement advertising, and the usual suspects like that, but another part of it has been spent on in-store promotion. In promoting Welsh lamb or beef directly to the customer, a key aspect is the promotion in-store, and the shelf space that it gets. So, Hybu Cig Cymru was left to work on that with individual supermarkets.

[88] **Andrew R.T. Davies:** Could we have a list of attendees at that meeting, and the supermarkets that came to engage? This was a crucial plank of the early-stage campaign that you launched with the First Minister in seeking engagement from the retailers, and it would be interesting for Members and the wider community to see the level of dialogue with the supermarkets, and see which ones were participating.

[89] **Elin Jones:** I cannot recall at this stage why one of the supermarkets did not attend the meeting, but I would not want that to be taken as a reflection on that supermarket's role in Wales. Therefore, I am not inclined at this stage to make the list public. However, you can pursue that with me through the usual channels, if you want to.

[90] **Andrew R.T. Davies:** So, the list will not be made available to the committee, because of the absence of one supermarket?

[91] **Elin Jones:** Not at this stage.

[92] **Andrew R.T. Davies:** Moving on, the £1 million that was given to the promotion body was gratefully received as another tool to market and promote the benefits of Welsh red meat. However, public sector procurement is substantial and could play a part alongside the commercial promotion involving supermarkets and private retailers. What level of engagement, and what success, do you think that the Welsh Assembly Government has had in persuading the public sector to help the red meat sector in this crisis by increasing procurement?

[93] **Elin Jones:** In terms of the Assembly Government's discussions with the public sector in Wales, I know that Ministers with responsibility for various public sector offices undertook to impress upon the procurement people the need to look at an increase in procurement from Welsh meat sources. The Minister for Health and Social Services, for example, wrote to the national health service trusts in Wales about hospital procurement. I have not had any assessment of whether that led to an increase in public sector procurement, but the initial reaction was that, in the short term, many NHS trusts and local authorities are tied into contracts—although some, of course, have contracts with local suppliers anyway. There was an issue about whether some contracts could be changed. So, I cannot give you an indication of how successful our efforts have been in drawing attention to the need to support the Welsh red meat sector at this point in time, but you will know that, in the longer term, the One Wales Government has a commitment to increase the procurement of local products by the public sector in Wales, and work on that, in conjunction with Cardiff University, is ongoing in my department.

[94] **Mick Bates:** I am interested in your response, because the identifiable losses are all based on loss through the export restrictions and it appears to me that the home market could not hope to keep the price up. Strategically, are you looking, in the long term, at increasing the proportion of lamb for the home market rather than having this dependence on export? It appears that we are going to have restrictions because of bluetongue disease, which will impact on exports, and the industry cannot suffer these blows—we had one in 2001 and another in 2007. Who knows when the next outbreak will be? I would like to hear your thinking on strengthening the home market, so that future impacts of disease do not destroy the industry. The chairman of Hybu Cig Cymru said last week that the industry is in meltdown, due to the loss of exports.

[95] **Elin Jones:** You raise an interesting point about the vulnerability of the industry to export prohibition. The experience of the last two or three months has shown that a large proportion of the sheep industry in Wales is particularly vulnerable to export bans, which could happen at any point in the future. However, the more interesting point that comes from that is how individual businesses in the industry protect themselves from putting all their eggs in one basket. If individual businesses are completely set up for an export market, they carry a big risk.

[96] Therefore, in terms of the red meat sector's longer-term strategic direction, Hybu Cig Cymru is doing its work on its forward strategic plan and I will be doing my own work on the agriculture strategy. The experience of the last three months will feature in that, but it is a combination of the strategic direction of Government and the way that individual businesses within the agriculture sector think about how they protect themselves from the risks that come along with various animal diseases and the restrictions that are put in place because of them.

[97] **Alun Davies:** Diolch yn fawr, **Alun Davies:** Thank you, Minister. I want to move on to the next matter to be discussed this morning.

[98] **Alun Ffred Jones:** Yr wyf am sôn am fesurau i gefnogi'r diwydiant. Mae gwahanol gefnogaeth wedi'i rhoi yn Lloegr ac yn yr Alban i'r diwydiant yn dilyn y clwyf hwn. Pa alwadau sydd wedi bod arnoch i gyflwyno mesurau tebyg yma yng Nghymru a pham nad ydych wedi dewis rhoi cefnogaeth ychwanegol i'r diwydiant, o ran gwasanaethau ymgynghorol ac elusennau **Alun Ffred Jones:** I want to talk about measures to support the industry. Different support has been given in England and in Scotland to the industry following this outbreak. What demands have you faced to introduce similar measures here in Wales and why have you chosen not to provide additional support for the industry, in terms of consultative services and agricultural

amaeth, sydd wedi derbyn cefnogaeth yn Lloegr a'r Alban?

[99] **Elin Jones:** Atebaf yn gyntaf ran olaf y cwestiwn, ynglŷn ag elusennau. Yr wyf yn ymwybodol o'r gefnogaeth sydd wedi'i rhoi gan Adran yr Amgylchedd, Bwyd a Materion Gwledig i ryw ymddiriedolaeth elusennol. Yr wyf wedi cael gohebiaeth gan elusennau tebyg yng Nghymru a byddwn yn cwrdd yr wythnos nesaf neu'r wythnos ar ôl hynny i asesu effaith y clwyf ar lefel eu gwaith yng Nghymru. Felly byddaf yn ystyried hynny yng nghyd-destun y cyfarfod hwnnw.

[100] O ran ymateb Llywodraeth Cymru, yr ydych yn gwybod am y cynllun gwaredu er lles mewn perthynas ag ŵyn ysgafn, ac mae £6.75 miliwn wedi'i glustnodi ar gyfer hynny. Yn ôl y rhai a oedd yn rhoi cyngor inni fel Llywodraeth yn ôl ym mis Medi, yr oedd cynllun o'r math hwn yn flaenoriaeth. Felly, ar hyn o bryd, mae 100,000 o ŵyn wedi'u cyflwyno i'r cynllun hwnnw; mae cyfyngiad o 250,000 o ŵyn i'r cynllun hwnnw a bydd yn dod i ben ym mis Ionawr. Mae'r £1 miliwn ar gyfer hybu cig wedi cael ei ganfod o gyllideb fy adran i, er bod £6.75 miliwn wedi ei ganfod o gyllideb gyffredinol Llywodraeth y Cynulliad.

12.00 p.m.

[101] Yn 2001, talwyd am y cynlluniau difa er lles—yr oedd dau gynllun o'r fath yn weithredol yng Nghymru bryd hynny—gan DEFRA a'r Trysorlys. Felly, fy safbwynt i, a safbwynt Llywodraeth y Cynulliad a Llywodraeth yr Alban, yw bod gwariant Llywodraeth i gwrdd â rhai o'r materion a gododd ynglŷn â chlwy'r traed a'r genau yn faterion i'w hariannu gan Lywodraeth San Steffan. Yn hynny o beth, fel yr wyf wedi dweud yn barod, mae gwahaniaeth barn rhwng y ddwy Lywodraeth.

[102] Yr oeddech yn holi am y pecynnau cymorth economaidd a gyflwynwyd, yn enwedig yn yr Alban, lle telir £6 y pen ar gyfer pob dafad fagu. Mae'r diwydiant yng Nghymru wedi dweud—gan gynnwys yn y Pwyllgor Cyllid yr wythnos diwethaf—bod lle i ni ariannu cynllun tebyg yng Nghymru. Yr amcan gost i ni fyddai £27 miliwn, gan fod gennym fwy o ddefaid nag sydd yn yr

charities, which have received support in England and Scotland?

**Elin Jones:** I will begin by answering the last part of the question, about charities. I am aware of the support that the Department for Environment, Food and Rural Affairs has given to some charitable trust. I have received correspondence from similar charities in Wales and I will be meeting with them, either next week or the week after, to assess the impact of the disease on their work in Wales. So, I will consider that in the context of that meeting.

On the Government of Wales's response, you will be aware of the light lamb welfare disposal scheme, and £6.75 million has been allocated for that. According to those who were advising us as a Government back in September, a scheme of that kind was a priority. Therefore, at present, 100,000 lambs have been introduced to that scheme; it has a ceiling of 250,000 lambs and it will come to an end in January. The £1 million for the promotion of Welsh meat has been found from my departmental budget, although the £6.75 million was found from the general Welsh Assembly Government budget.

In 2001, the welfare slaughter schemes—there were two such schemes in operation in Wales at the time—were funded by DEFRA and the Treasury. Therefore, my view, and the view of the Assembly Government and the Scottish Government, is that Government expenditure to deal with the issues surrounding foot and mouth disease should be funded by the Westminster Government. In that respect, as I have already said, there is a difference of opinion between the two Governments.

You asked about the economic support packages that have been introduced, particularly in Scotland, where they are paying £6 a head for all breeding ewes. The industry in Wales has said—including at last week's Finance Committee meeting—that we could fund a similar scheme in Wales. The estimated cost for us would be £27 million, because we have more sheep than Scotland



Alban, sydd bron gymaint â'r holl gyllideb Tir Mynydd yn y flwyddyn ariannol hon. O feddwl am hyn yn ei gyd-destun, byddai £27 miliwn, £6.75 miliwn ac £1 miliwn yn agos at £35 miliwn ar gyfer y diwydiant defaid yn unig, sy'n fwy na'r gost a amcanwyd ar gyfer y diwydiant hwnnw. Felly, ar hyn o bryd, nid ydym mewn sefyllfa yng Nghymru i roi'r un faint â'r £6 y pen a delir yn yr Alban, ac nid ydym yn bwriadu gwneud hynny.

has, which is almost as much as the entire Tir Mynydd budget for this financial year. If we think of this in context, £27 million, £6.75 million and £1 million would be close to £35 million for the sheep industry alone, which is more than the estimated cost for that industry. Therefore, we are not, at present, in a position in Wales to match the £6 per head paid in Scotland, and we do not intend to do so.

[103] **Alun Ffred Jones:** Mae'n debyg fy mod yn gwybod, felly, beth fydd eich ateb i fy nghwestiwn nesaf, ond fe'i gofynnaf beth bynnag. Os na fyddwch yn gallu dod i ddealltwriaeth gyda DEFRA—yr ydych wedi'i gwneud yn hollol glir fod gwahaniaeth barn bendant rhyngoch—a yw'r Llywodraeth yn barod i ystyried rhyddhau unrhyw arian ar gyfer cynllun i gefnogi'r diwydiant yn y dyfodol?

**Alun Ffred Jones:** I suppose that I know, therefore, what your response will be to my next question, but I will ask it anyway. If you cannot come to an understanding with DEFRA—and you have made it clear that there is a definite difference of opinion between you—is the Government willing to consider releasing any funding for a scheme to support the industry in future?

[104] **Elin Jones:** Bydd angen imi edrych ar adroddiad y Pwyllgor Cyllid a'i drafod gyda'r Gweinidog dros Gyllid a Chyflenwi Gwasanaethau Cyhoeddus, a byddwn yn cadw'r materion hynny o dan ystyriaeth. Nid wyf mewn sefyllfa i ddweud na gwneud mwy na hynny ar hyn o bryd. O wneud unrhyw sylwadau ein bod mewn sefyllfa i allu ariannu, byddwn yn gwahau ein hachos i roi pwysau ar DEFRA i ariannu cynlluniau yng Nghymru, fel ag y gwnaeth yn 2001. Yr wyf eisoes wedi cael trafodaeth gyda'r Ysgrifennydd Gwladol yn DEFRA ynglŷn â lefel y gost sy'n dechrau dod i'r amlwg ar y diwydiant yng Nghymru, sef £30 miliwn a £40 miliwn, fel yr ydym wedi ei drafod eisoes.

**Elin Jones:** I will need to look at the Finance Committee report and discuss it with the Minister for Finance and Public Service Delivery, and we will keep these issues under consideration. I am not in a position at present to say or do any more than that. By making any comments that we are in a position to provide funding, we would weaken the case that we are making to put pressure on DEFRA to fund schemes in Wales, as it did in 2001. I have already had a discussion with the Secretary of State at DEFRA about the cost levels that are starting to emerge on the industry in Wales, namely the £30 million and £40 million, as we have already discussed.

[105] **Alun Davies:** Diolch yn fawr.

**Alun Davies:** Thank you.

[106] **Mick Bates:** Obviously, everyone is very disappointed that you are not able to provide a similar scheme to that in Scotland, but I will briefly say—

[107] **Elin Jones:** When you say 'everyone', who do you mean? Is the committee disappointed?

[108] **Mick Bates:** That is an interesting question, Minister. As you know, I am part of a farming business and I have daily contact with the farming industry—

[109] **Elin Jones:** Are you saying that farmers are disappointed?

[110] **Mick Bates:** I have yet to meet anyone in the farming industry or associated industries who does not think that the work of the NFU or FUW in identifying the cost of £40

million to this industry is a reasonable estimate and that Government should provide some extra funding to compensate. The issue of responsibilities arises later in questioning. However, if, for example, the £6.7 million for the light lamb scheme is unspent, what will you do with the money?

[111] **Elin Jones:** I have no intention of speculating on that because I have a scheme in place with a ceiling of £250,000. It has three or four weeks left to run and might all be expended by then. So, it would not be appropriate for me at this stage to speculate in public on how I would spend any remaining funding if I had the ability to do so.

[112] **Mick Bates:** Yes, but if the £6 million were not spent, would you consider using it as further aid to the industry?

[113] **Elin Jones:** I would not be in a situation to do that without discussing it with the Minister for finance because, as I said earlier, this funding is not from within my budget, but from within the general budget of the Assembly Government for this financial year, and I cannot speculate on this situation at this point in time. As I said, there are over 100,000 lambs in this scheme and around 40 per cent of the time of the scheme is left to run.

[114] **Mick Bates:** You referred to discussions with the Minister for finance, have you discussed any further aid packages with him from the contingency in Wales?

[115] **Elin Jones:** I was asked in the Finance Committee last week whether I had asked for £6 per head and I said that I had not.

[116] **Mick Bates:** On the charities that support farmers in these stressful times, have you considered the amount of funding that would be necessary? One-off payments are obviously important, as we have just discussed, but of the three organisations, including the ARC-Addington Fund, the Royal Agricultural Benevolent Institution and the Farm Crisis Network—the latter provides support over a long period of time—would you be prepared to consider providing funding that would enable them to continue their emotional support to farming families as a result of this outbreak?

[117] **Elin Jones:** As I said to Alun Ffred, I am aware that, in Wales, we have not made any kind of financial contribution to these organisations as a result of foot and mouth disease, but I would want to discuss with those organisations, in advance of making any assessment of whether we could provide funding, the extent of the additional work that they have had to undertake as a result of foot and mouth disease. I am not querying whether there has been additional work, but I would like to be made aware of the extent of that additional work so that I can assess whether any additional financial support from the Assembly Government should be forthcoming.

[118] **Mick Bates:** That is a valuable point. As I understand it, 40 per cent of all of the support from RABI and the Addington Fund comes to Wales and 10 per cent of the whole money has gone to Powys. So, that is a reflection, as I understand it, of the extent of the stress that has been caused by this outbreak. So, I hope that you will consider some sustainable funding in terms of emotional support to farming families.

[119] **Alun Davies:** I want to bring this session to an end because I am aware that time is moving on. Therefore, in concluding our session, I would like us to briefly touch on issues of responsibility. I call on Andrew R.T. Davies to ask the next question.

[120] **Andrew R.T. Davies:** You touched on these issues earlier, Minister, in terms of your dialogue with the UK Government and the point that those discussions are currently at and the fact that there is a difference of opinion. Could you enlighten us as to how far down the road

you are in those discussions? I think that you almost said—and correct me if I am wrong—that you are still arguing about who is responsible before you even start thinking about discussing a direct proposed package of help. So, when that difference of opinion is resolved, when do you envisage being able to move on? Or is that difference of opinion, as you can see it, never going to be resolved?

12.10 p.m.

[121] **Elin Jones:** I would not go so far as to say that it will never be resolved, but it is not highlighting itself as being resolvable to me in the short term. Andrew Davies and I are making the point directly to the Treasury that the Assembly Government has had to find funding to meet the cost of the schemes that I have already alluded to and of any additional schemes that the Assembly Government would want to undertake in Wales to support the industry as a result of the foot-and-mouth-disease outbreak. It has been said by the First Minister, by the Minister for Finance and Public Service Delivery and by me that—even though the outbreak was not in Wales, but in Pirbright, on a Government site—the costs and the impact of this disease have been as great, if not greater, on the Welsh sheep industry—

[122] **Andrew R.T. Davies:** On the livestock industry, because it also involves cattle and calves.

[123] **Elin Jones:** I accept that farmers in all aspects of the industry have been affected by this, but, in global terms, the greatest cost has been to the sheep industry in particular, and those are the figures that have been highlighted to us by Hybu Cig Cymru. The anecdotal evidence that I receive when meeting farmers is that the market price for lamb is that much more devastated than the market price of cattle and beef. So, we are making the case that it is the responsibility of the UK Government. However, that case is being resisted. Our situation is not dissimilar to that of Scotland in that respect. However, our situation is different in that Scotland has the financial wherewithal to have provided a larger economic support package and has continued to say that it is the responsibility of the UK Government to fund all of this, although they have made the decision to fund it upfront.

[124] **Andrew R.T. Davies:** You quite rightly pointed out earlier in your evidence that if this institution tries to formulate its own rescue or support package out of its own reserves, that would fundamentally weaken your argument with the Treasury. So, at what juncture do you say, ‘I am walking into this wall and it hurts.’? Will we start to formulate something in the Assembly or will we carry on going to the Treasury without anything being allocated from our reserves?

[125] **Elin Jones:** I said earlier that these are issues that I keep under review and I will keep the Minister for finance informed of the scope of the cost of this disease to the agriculture industry in Wales. The evidence and report that will come to Government from the Finance Committee will be a part of that process of making a case, or not, about funding that the Assembly Government should consider for the livestock sector in Wales. As I said earlier, if we are to take decisions and believe that we have the financial flexibility to provide an economic support package for the livestock industry, then that fundamentally weakens our case with regard to the discussions that I have with Hilary Benn. However, as you said, the Assembly Government needs to keep these issues under review, and that is what I am doing.

[126] **Mick Bates:** There is an interesting difference between our approach and that of Scotland, which leads me to pick up on a statement that you made. You said that the Scots have the ‘financial wherewithal’ to fund this package. Are you suggesting that, in Wales, there is not the financial wherewithal to fund a package for farmers?

[127] **Elin Jones:** It is a matter of public awareness and discussion that the financial

settlement for Scotland is considerably better than the financial settlement for Wales. It is a point that is made by both your party and mine; we agree that the Barnett formula should be reviewed.

[128] **Mick Bates:** However, the Scots have said that it is a priority to get aid to an industry that is suffering. Do you disagree with that aim?

[129] **Elin Jones:** Sorry?

[130] **Mick Bates:** In Scotland, they have made it their priority to get aid to an industry that is suffering. By your own admission, the industry in Wales is perhaps suffering more. Is it a lesser priority here to relieve the suffering?

[131] **Elin Jones:** I do not think it a matter for me to compare myself with the Scots. I know that I am being compared with the Scots, but I take decisions and hold discussions within the context of the Welsh budget and the Welsh Government. If you want to interpret that as being a lesser or a greater priority, then that is a matter for you. I am saying that the Welsh Government to date has provided £7.75 million from its own budget to meet the costs associated with foot and mouth disease in Wales. We believe that that funding should be made available to us from the UK Government, as it was in 2001 for the welfare disposal scheme. We have a fundamental disagreement on that at this stage, and we will keep the issues of implications and the costs of foot and mouth disease to the Welsh industry and the role of the Assembly Government, as well as those of the UK Treasury and DEFRA, under review.

[132] **Alun Davies:** Yr wyf am ddod â'r sesiwn hon i ben. Diolchaf i chi, Weinidog, a'ch swyddogion am eich parodrwydd i ddod i'r pwyllgor i drafod y materion hyn. Byddwn yn trafod sesiwn y bore yma, a'r gobaith yw cyhoeddi adroddiad ar y pwnc hwn yn gynnar yn y flwyddyn newydd. Diolch eto ichi am roi o'ch amser y bore yma.

**Alun Davies:** I want to bring this session to a close now. I thank the Minister and her officials for their willingness to attend the committee to discuss these matters. We shall be discussing this morning's session, and we hope to publish a report on the matter early in the new year. Thank you again for your time this morning.

12.16 p.m.

### **Cytuno ar Gylch Gorchwyl ar gyfer Ail Ymchwiliad Craffu'r Is-bwyllgor Agree Terms of Reference for the Sub-committee's Second Scrutiny Inquiry**

[133] **Alun Davies:** Cytunwyd mai tlodi yng nghefn gwlad fydd y pwnc ar gyfer ail ymchwiliad yr is-bwyllgor. Mae gennym yn awr gylch trafod ar gyfer yr ymchwiliad hwn. Mae pob Aelod wedi gweld y papur ac ni chafwyd sylwadau oddi wrth yr Aelodau. Cymeraf, felly, fod Aelodau yn hapus gyda'r hyn a gynigir. Os felly, yr ydym yn gytûn. Awgrymwyd y bydd yr is-bwyllgor hwn yn penodi ymgynghorydd ar gyfer yr ymchwiliad hwn. Cymeraf ein bod yn gytûn am hynny hefyd. Gwelaf ein bod.

**Alun Davies:** It has been agreed that rural poverty will be the subject of the sub-committee's second inquiry. We now have a topic for discussion for this inquiry. All Members will have seen the paper and Members have not submitted any comments. Therefore, I take it that Members are content with what is proposed. That being the case, we are agreed. It has been agreed that the sub-committee will appoint an adviser for this inquiry. I take that we are agreed on this matter too. I see that we are.

[134] Cynhelir y cyfarfod nesaf ar ddydd Iau, 17 Ionawr. Diolch yn fawr.

The date of the next meeting is Thursday, 17 January. Thank you.

*Daeth y cyfarfod i ben am 12.17 p.m.*  
*The meeting ended at 12.17 p.m.*