

Huw Irranca-Davies AS/MS
Y Dirprwy Brif Weinidog ac Ysgrifennydd y Cabinet
dros Newid Hinsawdd a Materion Gwledig
Deputy First Minister and Cabinet Secretary for
Climate Change and Rural Affairs



Llywodraeth Cymru
Welsh Government

Andrew RT Davies MS
Chair,
Economy, Trade, and Rural Affairs Committee

19 December 2025

Dear Andrew,

Thank you for your letter seeking further information following my appearance before the Economy, Trade, and Rural Affairs Committee on 26 November 2025 for Draft Budget scrutiny.

My responses to your queries are provided in Annex 1 below.

Yours sincerely,

Huw Irranca-Davies AS/MS
Y Dirprwy Brif Weinidog ac Ysgrifennydd y Cabinet dros Newid Hinsawdd
a Materion Gwledig
Deputy First Minister and Cabinet Secretary for Climate Change and Rural Affairs

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Annex 1

[Economy, Trade, and Rural Affairs Committee 26/11/2025 - Welsh Parliament](#)

Rural Affairs

Farming Connect and dedicated advice/support to people who want to expand in horticulture

Knowledge Transfer Programme - Farming Connect 2026 – 2029 (inc training and support for diversification).

The Knowledge Transfer Programme - Farming Connect (“the Programme”), was first launched in 2001 to deliver advice on new technologies and production techniques to Welsh farmers. The aim being to enable farming families to diversify, improve business sustainability and access new markets for their products and services. The current Programme ends on 31 March 2026, in line with the revised timeline for the commencement of the Sustainable Farming Scheme (SFS). The Programme is currently funded as part of the SFS preparatory phase providing support to farmers on various aspects, such as soil health planning, animal health and Continual Professional Development, and benchmarking which are key components of SFS.

The Programme will be an integral part of the SFS and will support the implementation of the Scheme. The key aims will be to assist farm businesses in increasing resilience and productivity by focusing on areas such as improving soil health, animal health and welfare, pest management, benchmarking and developing additional skills and knowledge on a range of subjects. It will build on the lessons learnt from delivering the existing contract, recommendations made during previous independent evaluations as well as the recommendations made by the ETRA Committee in 2024.

Barnett and Agriculture

In October 2024, the UK Government removed the ring-fence previously imposed on agriculture funding and included the full amount of replacement farm funding in 2024-25. The total allocation was £339.6m. The Barnett formula will be applied to any future changes in spending (increases and decreases) in England on programmes which are devolved in Wales, including our needs uplift, in the same way as for all other areas of spending.

It is a principle of devolution that the Welsh Government budget should not be ring-fenced by the UK Government for specific purposes. It is for Welsh Ministers, with the Senedd’s approval, to decide how to allocate the Welsh Government’s budget to reflect the circumstances and priorities in Wales.

We very much welcome the fact that we now have full discretion over the level of agricultural support we can provide. This is something we asked the UK Government to provide.

Our budget for the next fiscal year provides over £360m for agricultural support – more than was provided in 2024-25, the final year in which farm funding was ringfenced by the UK Government.

Budget Pressures on Bovine TB, Bluetongue and Avian Flu

OCVO have 4 budget lines and any underspends have historically been consumed by an overspend in the TB compensation budget line. As budgets become more constrained, we have reduced capacity to absorb these overspends. TB compensation, in addition to compensation for other disease outbreaks is an unfunded pressure and where this cannot be met within OCVO budgets, must be met by central reserves.

Both the TB Technical Advisory Group and the TB Programme Board have recognised the importance of investing in the TB Eradication Programme to accelerate disease reduction and enable long term savings for Government and industry. The TB Programme Board will bring forward a position paper in Spring 2026.

The current TB Eradication Programme Delivery Plan, which covers the period 2023-2028, commits Welsh Government to a review of TB compensation. An independent review is currently being commissioned and will report in Winter 2026. Options for a new compensation regime would require a public consultation and may result in legislative and delivery changes.

We continue to work with the Pembrokeshire and North Wales projects and are keen to learn how the wider industry may adopt their key principles, this may require further investment in the short term.

Following the declaration of an all Wales Restricted Zone for Bluetongue serotype 3, we do not expect further compensation will be required for this disease. We are monitoring the evolving Bluetongue situation, but it is difficult to predict if culling and compensation to eradicate other serotypes in line with our Exotic Disease Contingency Plan might become necessary in the future.

Avian influenza remains a risk and culling flocks for disease control purposes is likely to be required in 2025/26 and 2026/27 across the UK. We are working with industry to promote high standards of biosecurity to minimise contact between kept and wild birds and reduce the impact of this disease on livelihoods and Welsh Government resources.

Trade and Borders

Border Control Posts (BCPs) in Wales

It is not possible at this stage to put meaningful estimates on the costs to businesses or to the Welsh Government for the services of Border Control Posts (BCPs) in Wales. This is for a number of reasons.

We can no longer assume that any future border controls will be on the basis of applying the Borders Target Operating Model (BTOM) which applies to goods arriving in Great Britain. Even if there will be exceptions or exemptions to the SPS agreement the UK Government secures with the EU, it is impossible to say at this stage (a) what commodities they might cover, (b) the extent to which those exceptions would represent risks which would require border controls to maintain an acceptable level of biosecurity; and (c) what the nature, frequency and extent of effective and proportionate controls might look like.

Such models as exist in the shape of BCPs elsewhere are based on applying the BTOM. They are also almost entirely in the hands of private sector operators. We therefore have no access to the true costs of operating those BCPs, the extent to which costs have been absorbed across other port operations or even whether costs have simply been written off by port operators to avoid putting off custom by passing the charges on to transport companies and importers.

The only other government owned BCP is at Sevington, near Dover. The scale of this operation is such that it is not a useful comparator with whatever might come to be required in Wales. Until the SPS negotiations started, we had been working on the expectation that there would be a common user charge, with operating costs for Sevington and Holyhead effectively spread across all the relevant traffic passing through both ports. This would be on the basis that, once new arrangements had settled in, the operation would be self-sustaining through charges. However, negotiations on a common user charge with the UK Government have been suspended in view of progress towards the SPS agreement, and as noted above, would be on a very different basis should we need to reconsider at any point.