



National Sheep Association
The Sheep Centre, Malvern
Worcestershire, WR13 6PH
Tel: 01684 892661
Fax: 01684 892663
enquiries@nationalsheep.org.uk
www.nationalsheep.org.uk

31st January 2013

Dear Environment and Sustainability Committee

Many thanks for inviting NSA Wales to meet with you today (Thursday 31st January) and our sincere apologies that we were not able to be there. We have provided a short response to each of the subject headings you gave us and will happily expand on these if you require.

As mentioned below, we are also sending details of a project we are working to see an Animal Health and Welfare Scheme included under Pillar Two of the 2014-2020 CAP, and we feel this complements many of the issues you are looking at today.

Sorry again that we couldn't be there in person but please do not hesitate to contact myself or Helen Davies (NSA Wales Development Manager) if you would like any further information from us,

Phil Stocker
NSA Chief Executive

FARM INCOMES

These are hugely variable but are all under a great deal of pressure, more so this year due to the extreme weather conditions resulting in low quality and quantities of forage, high feed costs and input costs generally. In addition the weather disrupted farmers' lamb marketing plans, forcing many to sell store lambs early and delay the finishing of lambs, which then clashed with NZ lamb imports. This was made worse by poor export conditions.

While the continued effort to provide farmers with technical information to be as efficient as possible is important, the reliance of farmers on the Single Farm Payment and agri-environment income should not be overlooked and reductions in farm support would put immense pressure on the viability of livestock farms. Current dialogue from Defra about ending the Single Farm Payment is not helpful and the NSA is supportive of the Welsh Government's stance to a) fight for a long



Chief Executive: Phil Stocker
A company Limited by Guarantee. Registered in England. Registration No 37818.
Registered charity in England and Wales (249255) and in Scotland (SC042853).





National Sheep Association

The Sheep Centre, Malvern
Worcestershire, WR13 6PH
Tel: 01684 892661
Fax: 01684 892663
enquiries@nationalsheep.org.uk
www.nationalsheep.org.uk

transition period from historic to area-based payments, and b) fight for keeping Pillar One of the CAP and direct payments to farmers.

However, given the pressure on budgets, NSA also believes more should be done to ensure farmers receive a higher proportion of funds under Pillar Two/RDP. Colleagues within Welsh Government will be aware of a project we are working on at the current time in this area and I have attached a separate document outlining the details of this.

MARKET PRICES

NSA believes the weather has been the biggest factor in the recent downward pressure on the lamb price, causing a delay in the seasonal peak of production and forcing the sale of many lambs as stores and under-finished due to a lack of keep. At the same time as the peak in marketing of lambs we saw difficult export conditions and an increase of NZ lamb on our market. While many of these conditions were out of the control of farmers there is action that can be taken to help.

For instance we have had reports of supermarket staff telling shoppers that UK lamb is out of season and it is this kind of misinformation and confusing labelling that has to stop. It would help both farmers and our domestic economic revival if our market received more support from retailers and consumers. New Zealand lamb has a role to play in levelling the domestic supply of lamb through the year but it is vital that it is clearly labelled and not used to disadvantage Welsh lamb. NSA works hard to promote positive messages about home-produced lamb but we are a farmer-facing organisation and do not have the resource or the reach of organisations such as HCC. Using levy money to promote Welsh lamb both in the UK and further afield is vital and a key concern for NSA members in Wales.

EMPLOYMENT

The agricultural industry employs an incredible number of people directly and indirectly and we would like to see greater acknowledgement of this. Again, we know that Defra's approach to CAP reform is different to the Welsh Government's, but we feel that all too often the wider reaching consequences of cutting financial support to farmers are overlooked. Every pound farmers receive via the Single Farm Payment or RDP provides incredible value for money in providing employment in ancillary agricultural companies, rural communities and the tourism sector. There is evidence of increased interest in farming from young people seeking careers, which is being evidenced by enrolments onto college and university courses. There is also evidence however of actual employment, rewarding career opportunities and business opportunities for new entrants still being a barrier. Stable financial viability of farms is crucial if young people and new entrants are to be attracted and kept within the industry.



Chief Executive: Phil Stocker
A company Limited by Guarantee. Registered in England. Registration No 37818.
Registered charity in England and Wales (249255) and in Scotland (SC042853).





National Sheep Association

The Sheep Centre, Malvern
Worcestershire, WR13 6PH
Tel: 01684 892661
Fax: 01684 892663
enquiries@nationalsheep.org.uk
www.nationalsheep.org.uk

LIVESTOCK PRODUCTION

Livestock production is about more than just producing food. Farming activities and grazing livestock also maintains attractive landscapes and habitats and is a central part of our ecology and biodiversity – indeed our landscape and biodiversity should be recognised as a result of thousands of years of farming and human activity. Livestock production in Wales is often the foundation of rural communities and the economic activity this creates should be recognised. Many of these aspects are covered in the NSA's *Complementary role of sheep in Less Favoured Areas* report and we will happily supply copies of this if you have not already seen it.

For all of these reasons, it is vital the Welsh sheep flock remains the same or even increases in size. This is especially true given that technological advances and efficiency gains made by farmers are continually reducing the carbon footprint of sheep enterprises, producing more kilos of meat for less greenhouse gas emissions than ever before. We strongly believe food security is not being taken seriously enough by governments in the Western world and think a) ensuring farmers get an income and b) encouraging the next generation, are vital in maintaining what we have and not losing the infrastructure and expertise that we need to feed the world and maintain our environment and landscapes.

ABATTOIRS/SLAUGHTERINGS and WELSH COUNTY FOODS

The strength of the lamb slaughtering sector in Wales is important in its own right and also in terms of adding value for Welsh farmers. Improved information on live animal and meat flows (store stock, lambs for slaughter, meat products) between Wales, England, and Scotland would provide far better understanding of the situation and enable effective policy and business decisions to be made. It is a serious concern that national (UK) centralised decisions can be made that can have a devastating effect on employment and business opportunities locally and it has been good to see many large slaughtering plants start to widen their basket of market outlets and customers, as this will give greater resilience. The current threat to Welsh Country Foods is indicative of these threats and our understanding is that a major decision by a large national retailer led to the closure of a plant that provides much employment and business activity.

Trade between England and Wales in livestock and meat is of high historic importance and this must be recognised and further enabled in the future. Steps should be made that aim to provide economic and trade stability and resilience for the long term. Instability is costly and risks wasting investment.



Chief Executive: Phil Stocker
A company Limited by Guarantee. Registered in England. Registration No 37818.
Registered charity in England and Wales (249255) and in Scotland (SC042853).





National Sheep Association

The Sheep Centre, Malvern

Worcestershire, WR13 6PH

Tel: 01684 892661

Fax: 01684 892663

enquiries@nationalsheep.org.uk

www.nationalsheep.org.uk

HCC AND WELSH RED MEAT LEVY

Although NSA is not able to suggest the mechanism, efforts must be made to move levy collection towards a fair and equitable structure. HCC does much valuable work that is of use to the farming community in Wales, including promotional activities and technical and best practice information. The promotion of Welsh meat is essential and clearly needs to be undertaken by HCC in Wales and beyond, for the benefit of Welsh farmers and businesses. It could be argued that optimising collaboration between the devolved levy bodies in the area of research and knowledge transfer would remove some tension and avoid duplication. NSA is aware that collaboration already exists but we are of the view that efforts should always be made to seek efficiencies that are to the benefit of the businesses that are generating economic activity and providing employment. In summary a solution to levy collection problems must be sought, and the interests of the industry and businesses whose activity the levy money is there to further, must be recognised as the primary objective.



Chief Executive: Phil Stocker

A company Limited by Guarantee. Registered in England. Registration No 37818.

Registered charity in England and Wales (249255) and in Scotland (SC042853).



National Sheep Association is an organisation which represents the views and interests of sheep producers throughout the UK. NSA is funded by its membership of sheep farmers and its activities involve it in every aspect of the sheep industry.

your business your future