

Farmers' Union of Wales response to a Welsh Affairs Committee inquiry into Farming in Wales in 2025: Challenges and Opportunities

14th April 2025

About the FUW

1. The Farmers' Union of Wales (FUW) was established in 1955 to exclusively represent the interests of farmers in Wales. Since 1978 the union has been formally recognised by the UK Government, and subsequently by the Welsh Government, as independently representing those interests.
2. The FUW's Vision is *thriving, sustainable, family farms in Wales*, while the Mission of the Union is *To advance and protect Wales' family farms, both nationally and individually*, in order to fulfil the Union's vision.
3. In addition to its Head Office, which has thirty full-time members of staff, the FUW Group has around 80 members of staff based in twelve regional offices around Wales providing a broad range of services for members.
4. The FUW is a democratic organisation, with policies being formulated following consultation with its twelve County Executive Committees and eleven Standing Committees.

Context

5. The FUW welcomes the opportunity to provide written evidence to the Welsh Affairs Committee on its inquiry into the challenges and opportunities of farming in Wales in 2025.
6. Whilst appreciating that agriculture is rightly a devolved matter for the Welsh Government and therefore the scope of this inquiry refers specifically to the areas relating to agriculture that are reserved to the UK Government, Committee members should realise the current context Welsh agriculture finds itself in from both a UK and devolved perspective in considering the Union's response to the specific questions raised.
7. The latest data published by the Farm Business Survey suggests a decline in Farm Business Income (outputs minus inputs) across all farm types in Wales of 39% in real terms between 2023 - 2024. Crucially, for cattle and sheep farms in Less Favoured

Areas (LFA) and Severely Disadvantaged Areas (SDA) that make up around 80% of Welsh farmland, FBI fell by 15% to £20,700.¹

8. The latest Market Bulletin from Hybu Cig Cymru also demonstrates concerning trends in UK livestock numbers; a year-on-year decrease in the throughput of prime cattle and lamb of 5% and 4% respectively in February.²
9. It is notable that such trends are currently driving record high prices for livestock producers, however, reductions in the critical mass of livestock are bringing into question the sustainability and efficiency of red meat processing plants and our ability to maintain consumer demand for Welsh products.
10. Likewise, record domestic prices coupled with lower prices from the Southern Hemisphere and liberalised free trade agreements are responsible for a 40% surge in UK sheepmeat imports last year to around 70,000 tonnes, 86% of which originated from New Zealand and Australia.³
11. Collectively, these industry trends demonstrate current confidence levels of the Welsh agricultural sector and highlight a worrying foundation for tackling future challenges. This is coupled with an ever-increasing regulatory and emotive burden, through the means of ineffective Bovine TB eradication policies and disproportionate Water Quality (Control of Agricultural Pollution) Regulations, and an uncertain future in terms of direct farm support.
12. In Wales, despite proposals having originally been similar to those in England, policy objectives and timetables have changed significantly, and the Sustainable Farming Scheme (SFS) is now proposed to be introduced from 2026 onwards over a five year period while the Basic Payment Scheme (BPS) is phased out.⁴
13. However, the Committee is rightly focussing on both the challenges and opportunities of farming in Wales, and the FUW welcomes the opportunity to provide some insight through a positive lens.
14. Despite the economic challenges facing Welsh farming businesses and their current reliance on direct farm support, the vision of farming in Wales goes far beyond bottom line profitability. The industry is built upon solid cultural and traditional foundations that will continue to thrive as long as Welsh people and their farming heritage receive the recognition they deserve.
15. The Committee outlines the integrity of farming for the Welsh economy, and to that end, the FUW maintains that family farms, living and working within their communities, are the backbone of Wales' rural areas.

¹ [Farm incomes: April 2023 to March 2024](#)

² [HCC Market Bulletin March 2025](#)

³ [FUW concern as UK sheep meat imports surge](#)

⁴ [FUW response Sustainable Farming Scheme consultation March 2024](#)

16. Furthermore, the ‘Empowering communities, strengthening the Welsh language’ report published by the Commission for Welsh Speaking Communities states that *“43.1% of the agriculture, forestry and fishing industries’ workforce speak Welsh, the highest proportion of Welsh speakers in all sectors of economic activity in Wales.”*⁵
17. It is also worth noting the report also recommends that *“the Welsh Government should ensure that the Welsh language is a central consideration in agricultural policy. There should be support for the family farm, and the principle of the importance of the family farm should be reflected in other policies such as environmental policy.”*
18. Furthermore, in the predecessor Welsh Affairs Committee’s report on the economic and cultural impacts of trade and environmental policy on family farms in Wales, it recommended that: *“While language and culture are devolved responsibilities, the UK Government should consider how its approach to relevant reserved policy areas can help to protect the unique cultural contribution of Welsh farming communities. For example, the UK Government could consider adding cultural impact to the impact assessment process for future trade negotiations and to the terms of reference for the work of the Trade and Agriculture Commission (TAC).”*^{6,7}
19. Wales also has a strong presence of county agricultural shows and social organisations and charities such as Wales’ Young Farmers Clubs and Urdd Gobaith Cymru’s clubs that underpin the sustainability of the Welsh language, heritage and culture.
20. For instance, over 5,000 young people aged between 10 and 28 years are currently members of Wales YFC, all of which are members of a network of 138 YFC Clubs and twelve County Federations.⁸
21. In summary, the Welsh agricultural sector underpins both a large proportion of the social and economic activity that takes place in Wales’ rural communities and a food and drink sector worth over £9.3 billion to the Welsh economy.⁹ The industry produces sustainable food to some of the highest animal health and environmental standards, supplying domestic and global commodity markets and targeting high-end customers through some of its Protected Geographical Indication (PGI) products.¹⁰
22. Crucially, however, it is clear to see how overarching governmental ambitions relating to climate change and the environment are often prioritised over other fundamental objectives, particularly in relation to agricultural and food policy.

⁵ [Empowering communities, strengthening the Welsh language report](#)

⁶ [FUW response to a Welsh Affairs Committee Inquiry into the economic and cultural impacts of trade and environmental policy on family farms in Wales](#)

⁷ [Welsh Affairs Committee Report: The economic and cultural impacts of trade and environmental policy on family farms in Wales](#)

⁸ [YFC Wales](#)

⁹ [Welsh food and drink industry](#)

¹⁰ [Protected produce](#)

23. Given that the UK operates in an international context, and as other countries face increased difficulties in producing their own food due to extreme weather events, conflict or political agendas, and the global population continues to increase as a rapid rate, the ability for Wales and the UK to produce its own food will increase in value on a global scale as the effects of climate change (and other global events) are further realised.
24. As such, both the Welsh and UK Governments must empower the agricultural sector as a world leader in sustainable food production first and foremost and as an industry that holds many of the answers to climate change and environmental protection.
25. In this context, the FUW believes the 2024 UK General Election offers new opportunities for both the Welsh and UK Labour Governments to work collaboratively on reserved and devolved matters, although the level of constructive engagement that has taken place between both governments on the areas discussed below is questionable.
26. The FUW trusts that this submission will be of interest and we look forward to further engaging with the Committee throughout this parliamentary term and beyond.

What support is the UK Government providing to the Welsh farming sector and what support from the UK Government does the sector require?

27. It should be recognised that Welsh farmers benefit widely from the work of the UK Government, Defra and other bodies operating at a UK level, such as the Food Standards Agency (FSA), Animal Plant Health Agency (APHA) etc., in delivering initiatives and protection measures through Common Frameworks.
28. Notwithstanding these benefits, critical to the survival of Welsh farming businesses and the economic, environmental, social and cultural contributions they make to our communities is their economic viability. As such, the single most important support mechanism the UK Government provides to the Welsh farming sector is through its devolved funding allocations.
29. The UK's departure from the European Union (EU) led to the loss of the intermediate-term stability provided by the EU's seven year Multiannual Financial Framework (MFF). It has also created the risk that agricultural and rural development funding might be cut at relatively short notice by the UK Treasury and the funding that is available is no longer ring-fenced or even earmarked for direct support for farmers and specific rural development objectives.
30. These concerns were realised from late 2019 onwards, as by the end of the 2024 - 2025 financial year, Wales had received around a quarter of a billion pounds less in funding for agriculture and rural development than could have been expected had the

UK remained within the EU. This equated to a loss of around £15,000 per BPS claimant in Wales over the five-year period.

31. This is despite proposed changes to farm support policies that represent a step change in terms of their ambition. Farmers will be expected to continue to produce food while delivering many more environmental benefits and complying with more costly restrictions and bureaucracy than has ever been the case. These bureaucratic demands are being made with Welsh farms also expected to deal with more competition and increased imports of food from the Southern Hemisphere produced to lower animal health and environmental standards.
32. Ahead of the 2024 UK General Election, the FUW renewed its calls for a multi-annual funding commitment for agriculture and rural development in Wales that reflects inflation since the EU Common Agricultural Policy (CAP) budget for the period 2014 - 2020 was ultimately confirmed in November 2013.¹¹
33. Whereas other industries have received inflationary increases in budgets and salaries over recent years, commitments for agricultural and rural development funding still reference a baselined budget announced more than a decade ago.
34. Based on the average EU CAP budget for the period of 2014 - 2020 for Wales of around £331 million per year, the Bank of England Inflation Calculator, which uses CPI inflation data from the Office for National Statistics, shows that this should now be worth at least £450 million.¹²
35. Other analysis commissioned by RSPB Cymru, National Trust Wales and Wildlife Trust Wales found that funding levels of *“£594 million per annum is required in order to fund Welsh farmers in tackling the nature and climate crisis, and to provide a sustainable future for food production.”*¹³
36. Following the Autumn Budget Statement, it was clarified by the Wales Office that the circa £340 million the Welsh Government received in ring-fenced funding for agriculture in 2024 - 2025 will be transferred to the block grant for 2025 - 2026.
37. Whilst the rollover of this level of funding at face value must be appreciated, it does in fact represent a real-terms cut for agricultural funding in Wales by failing to reflect inflation and the plethora of environmental public goods farmers are expected to deliver alongside the production of sustainable food.
38. This is pertinent given that the agricultural budget in England received a one-off increase of £200 million in 2025 - 2026 to reflect the underspend from the previous UK Government, yet there was no acknowledgement of the cuts of a similar sum Welsh farmers have experienced over recent years due to decisions made by the same UK administration.¹⁴

¹¹ [FUW General Election Manifesto 2024](#)

¹² [Bank of England Inflation Calculator](#)

¹³ [Need for £594 million annually to support nature friendly farming in Wales](#)

¹⁴ [Defra's Main Estimate 2024 to 2025 memorandum](#)

39. Nevertheless, the move of this funding into the Welsh Government's block grant and the removal of any form of multiannual indication or earmark for this funding to be allocated to agriculture demonstrates a lack of collaborative working between both governments or real engagement with the industry.
40. Further concerns in regards to the application of the Barnett Formula are addressed below.

What is the potential impact of the UK Government's proposed inheritance tax reforms on farms in Wales?

41. The FUW submitted its own in-depth analysis on the potential impact of the UK Government's proposed inheritance tax reforms on Welsh farming businesses to the Welsh Affairs Committee's call for evidence on the impact of the Budget in November 2024.¹⁵
42. This analysis used average Welsh land and house prices and publicly available data which made it possible to estimate possible inheritance taxes that would be payable for most Welsh farms if they were owned, based upon a number of broad assumptions.
43. Contrary to the initial claims made by the Prime Minister, UK Chancellor and Wales' First Minister that the "*vast majority*" of Welsh farms would not be affected by the changes, that only a "*tiny proportion*" of farms would be affected and that "*only the richest estates will be asked to pay - not small, family farms*", our analysis suggests that between 18% and 48% of BPS recipients in Wales may be subject to the new inheritance tax proposals depending on circumstances.
44. However, between 39% and 100% of the top 8,774 BPS recipients responsible for circa. 89% of Welsh Standard Agricultural Output could be affected.
45. Despite being encouraged to complete our own economic assessment of the potential impacts for Welsh family farms, a meeting with Exchequer Secretary to the Treasury, James Murray MP, made it clear that HM Treasury Officials had no intentions of even acknowledging our concerns and showed no willingness to negotiate a suitable way forward on this matter.
46. It was also concerning to note comments made by Deputy First Minister of Wales and Cabinet Secretary for Climate Change and Rural Affairs, Huw Irranca-Davies MS, in Plenary on 26th March suggesting that "*no accurate assessment of actual impact is possible without crucial information on individual farm circumstances, such as the*

¹⁵ [FUW response to a Welsh Affairs Committee Call for Evidence on the impact of the Budget on Wales](#)

farm ownership structure and the gifting statements,” and that “for this reason, that is why we use the Treasury data as a starting point...”¹⁶

47. Given the assumptions and averages used, out of necessity, to produce the data and figures presented by our analysis, they are quite rightly a ‘rough assessment’ and cannot be considered to be accurate for any individual farm.
48. However, our figures and other analyses do appear to demonstrate a concerning pattern suggesting that a significant proportion of Welsh farmers responsible for the majority of Welsh food production and agricultural activity will be affected by the changes to APR.
49. Despite differences between such analyses, models and regions, they all bring into question HM Treasury’s own analysis on the potential number of estates that will be impacted by these changes. As such, the Deputy First Minister of Wales is therefore right to label HM Treasury’s assessment as a ‘starting point’ given the unintended costs this policy will create for the farming industry and the Welsh and UK Governments.
50. In response to a letter sent to the Chancellor of the Exchequer, the Rt Hon Rachel Reeves MP, on 5th December 2024, James Murray MP made a number of claims attempting to justify the UK Government’s decision of making such changes to Agricultural Property Relief (APR) and Business Property Relief (BPR).
51. These claims along with the FUW’s reasoning as to why they are flawed and unjust are outlined in the Union’s briefing on the proposed changes.¹⁷
52. The potential impact of the proposed inheritance tax reforms are wide reaching for farming business and rural communities in Wales and can be summarised as follows:
 - i. An increase in the number of speculators seeking to benefit from any rates of inheritance tax relief
 - ii. The loss of land being used for agricultural purposes and an increase in the proportion of Welsh land being transferred into the ownership of remote corporate companies that have no such concerns over inheritance tax
 - iii. Increased reliance on UK food imports
 - iv. Reduced agricultural activity within rural communities
 - v. Reduction of the multiplier effect of the agricultural sector on the rural economy
 - vi. A reduction in jobs and the value of goods and services produced across the UK economy, resulting in a fiscal loss to the Exchequer¹⁸
53. None of these issues appear to have received any consideration by HM Treasury, or directly by the Welsh Government. Therefore, the FUW has major concerns

¹⁶ [Plenary 26th March 2025](#)

¹⁷ [FUW Briefing and Policy Position Paper on changes to Agricultural Property Relief](#)

¹⁸ [FBUK Publishes Economic & Fiscal impact of changes to BPR](#)

regarding the adverse impacts these reforms will have on mainstream family farms, Welsh food production and the supply chains that play an essential role in supporting the economy and employment in rural areas.

54. Furthermore, despite claims that gifts of assets made more than seven years before death are fully excluded from inheritance tax, we can guarantee that there will be a number of Welsh farmers of a certain age or with terminal illnesses who have rightly retained ownership of their agricultural and business assets throughout their lifetimes in line with what was then the best tax advice.
55. Sadly, no amount of advice can provide real solutions to those that will fall foul of these policy decisions who do not have enough time to make alternative succession and business arrangements.
56. At the very least, the FUW calls on the UK Government and HM Treasury to consider transitional arrangements for those in these impossible circumstances and provide them with a moral solution that does not have to involve taking matters into their own hands with tragic consequences before 6th April 2026.
57. The FUW is also calling on the UK Government to establish a UK-wide working group, to include tax experts, agricultural economists and valuers and other relevant stakeholders. This working group should be tasked with analysing the available data and multiple interpretations to agree on a dataset that accurately represents the extent of these impacts and to prove to the industry that the UK Government is willing to listen and make policy decisions in transparent consultation with the industry upon an analysis that we can all agree on.
58. Such a group should also be responsible for analysing the unique characteristics of family farming businesses which mean their structures and economic methods of working are atypical of those of mainstream businesses.

What is the potential impact of the UK Government's decision to replace the ring-fenced funding for agriculture with 'Barnettised' agricultural funding for farms in Wales?

59. Further to the FUW's concerns in regards to the future of agricultural funding in Wales, the Statement of Funding Policy addendum: funding the Scottish Government, Welsh Government and Northern Ireland Executive states that: *"From 2025-2026, the Barnett formula will apply in the usual way to funding for agriculture and fisheries, rather than the devolved Governments receiving a ringfenced addition to the block grant as they did for Spending Review 2021. Funding from 2024-2025 has been baselined in each devolved Government's block grant."*¹⁹

¹⁹ [Statement of Funding Policy addendum](#)

60. This, as confirmed during an FUW meeting with the Wales Office, means that any future changes to the allocated £340 million in Wales' block grant will be subject to the Barnett formula, meaning it will increase or decrease by 5% (relative needs-based percentage) of the year-on-year change to the English agricultural budget.
61. Given that Wales historically received around 9.4% of the total UK EU CAP budget, based on Welsh farm and rural characteristics and requirements, the Barnettisation of changes to Wales' allocation potentially represents a significant fall and a departure from what was effectively a rural needs - rather than population-based allocation. The Barnett formula is simply an outdated population based distribution method and unsuited to protect the needs of Welsh agriculture.
62. For this reason, the FUW has long argued against the Barnettisation of agricultural funding as it would move allocations even further away from EU CAP principles and fail to take into account the unique and cultural characteristics of Welsh farming.
63. Whilst the UK Agriculture Policy Collaboration Group has been established to discuss and provide advice on agricultural support policies and spending in each of the devolved nations, it could be argued that decisions made by the UK Government on areas such as devolved budget allocations in the first instance opens the door for unfair divergence between nations at a UK Ministerial level.
64. As such, spending frameworks need to be agreed which provide flexibility which reflects devolved powers and varying national priorities, while also ensuring relative uniformity to the extent that market distortion and other adverse effects are minimised in the long-term.
65. As Welsh farmers are expected to deliver an ever increasing range of sustainability and environmental objectives, while also producing food, the FUW believes that the previous needs-based allocation formula, which reflects Welsh farm and rural characteristics, should be restored for future consequential adjustments.

How has the UK's withdrawal from the EU affected farms in Wales?

66. The vote to leave the EU in June 2016 and the UK's formal departure from the EU at the end of January 2020 meant that, for the first time in almost half a century, UK governments were free to formulate and ultimately implement agricultural policies outside the framework of the CAP.
67. The CAP was required under EU legislation to "*...ensure a fair standard of living for the agricultural community...stabilise markets...assure the availability of supplies... [and] ensure that supplies reach consumers at reasonable prices*", replacing equivalent objectives under the 1947 Agriculture Act of "*...producing such part of the*

nation's food and other agricultural produce as in the national interest it is desirable to produce in the United Kingdom, and of producing it at minimum prices consistently with proper remuneration and living conditions for farmers and workers in agriculture..."

68. Equivalent objectives relating to the provision of fair incomes and adequate food supplies at affordable prices are absent or largely absent in the UK Agriculture Act 2020 and the Agriculture (Wales) Act 2023 - legislation which effectively replaces the EU CAP framework in England and Wales respectively.
69. While the UK Agriculture Act and Agriculture (Wales) Act are similar, particularly in terms of their focus on environmental outcomes, they are anything but robust in terms of protecting farm incomes and food supplies compared with the legislative framework that continues to operate in the EU.
70. The replacement of EU Regulations with domestic (Welsh and UK) legislation also brings with it the loss of the ring-fencing of budgets and strict spending rules and thresholds that ensured the majority of funding was paid directly to active farmers and that rural development funds were allocated subject to strict objectives within Wales' Rural Development Programme (RDP).
71. With that, the established governance frameworks and monitoring programmes that continue to operate in EU Member States have only, in part, been replaced by domestic legislation, with specific monitoring committees and funding programmes such as the RDP being absorbed into the realms of budget cuts and post-Brexit policy reforms.
72. Despite the welcomed introduction of Common Frameworks in 2017 and the creation of the UK Internal Market Act in 2020 to provide a governance structure to manage the increased likelihood of divergence between the devolved nations, the Union remains concerned that the risk of divergence in areas such as Precision Bred Organisms (PBOs) is far higher than what would have been the case if we had retained our membership of the EU.
73. Without repeating the Union's position on the future of agricultural funding, including the application of the Barnett Formula and other reserved matters such as the proposed inheritance tax reforms, it is seriously concerning to see how the UK Government no longer holds agriculture and rural development in as high regard as the EU Commission continues to do for its Member States through the CAP.
74. The UK Government has seemingly lost its shepherd for agriculture and rural development in the form of the EU Commission and UK farmers are now expected to compete against those who continue to operate under such favourable EU CAP principles.

How has the export market for Welsh agricultural goods evolved since the UK's withdrawal from the EU?

75. The importance of global trade to the functioning of the Welsh (and UK) food system is significant and longstanding. Despite concerns of a 'hard' Brexit in terms of the trading arrangements between the UK and EU, Welsh food and drink exports were worth £813 million in 2023, 75% of which were to countries within the EU. This means that the destination for around a third of all Welsh lamb, 90% of Welsh beef exports and 95% of Welsh dairy exports remains the EU.²⁰
76. Trade policy has become an ever important subject for the FUW since the UK officially departed from the EU and the UK Government became responsible for negotiating its own trade agreements. Since the Brexit referendum, the FUW has constantly raised concerns about the potential for divergence away from European markets and the impact this could have on the trading of Welsh agri-food products.
77. The FUW believes that any new markets opened up through trade deals should complement the existing trade we have with the vast and prosperous EU market which is on our doorstep.
78. Working closely with our nearest neighbours represents the most practical, carbon-friendly way of restoring UK food security while protecting our own food and farming industry. As part of any future trade strategy, the UK Government must seek to maintain and enhance its relationship with the EU and neighbouring countries in order to protect UK food security.
79. However, the FUW has, on many occasions, raised serious concerns regarding the fact that our exports, such as Welsh lamb, have faced extremely costly border bureaucracy since we officially left the EU while food producers exporting from the EU to the UK have faced no comparable barriers.
80. Whilst the UK - EU Trade and Cooperation Agreement established the framework for trade, aiming to facilitate the continued movement of goods without tariffs or quotas, it introduced new regulatory barriers, rule of origin requirements, customs checks, and non-tariff measures that were absent when the UK was part of the EU's Single Market and Customs Union.
81. The introduction of the requirement for a Veterinary Attestation for any product of animal origin has added additional cost and burden to the primary producer and complexity through the supply chain. Reports suggest that the industry has spent in excess of £200 million on Export Health Certificates since 1st January 2021.²¹
82. Concerningly, the transitional staging period for the Border Target Operating Model (BTOM) was recently extended yet again from 1st July 2025 to 31st January 2027. In

²⁰ [Welsh Food and Drink Economic Appraisal](#)

²¹ [BVA policy position on an EU-UK veterinary agreement](#)

reality, what we have witnessed on six occasions is the failure of the previous and current UK Government to implement the processes required to provide a level playing field for the trading of both imports and exports with the EU.

83. These failures are directly damaging and undermining UK farmers and producers and making a mockery of the exceptionally high animal health and welfare standards we work to whilst now also imposing significant costs upon UK exporters.
84. The FUW has raised concerns that the UK was, and still is, vulnerable to diseases without full border checks in place. Earlier this year, a Freedom of Information request found that authorities at the Port of Dover seized almost 100 tonnes of illegal meat in 2024. More recently, in January 2025, the Dover Port Health Authority said it had removed 25 tonnes of illegal meat, triple the amount seized for the same period last year.²²
85. The UK Government has previously acknowledged that *“these border checks are fundamental to protecting the UK’s food supply chain, farmers and natural environment against costly diseases reaching our shores...Their cost is negligible compared to the impact of a major disease outbreak, such as foot and mouth disease in 2001, which cost businesses and our wider economy more than £12.8 billion in 2022 prices.”*²³
86. We should not therefore be in a situation where we are limping from extension to extension because of the UK Government’s lack of planning and foresight. The result of such incompetence is that Welsh and UK businesses continue to suffer from unfair competition and potential vulnerability to serious diseases such as Foot and Mouth Disease and African Swine Fever.

Do farms in Wales currently have access to the skilled and seasonal labour they need?

87. Due to the typical structure of family-owned farming businesses in Wales, they tend to require less off-farm and seasonal labour resources than in more productive areas of the UK.
88. As a broad indication, it was estimated that there were around 37,300 full-time and part-time principal farmers, directors, business partners and their spouses on Welsh farms in 2024.²⁴ Based on around 24,608 farm holdings, it can be assumed that Welsh farms have an average of 1.5 workers.
89. However, it should be noted that a significant number of these will be very small properties that would not normally be considered as mainstream farms. Therefore,

²² [Illegal meat on most UK high streets](#)

²³ [Coverage about the cost of new border checks](#)

²⁴ [Survey of agriculture and horticulture: June 2024](#)

based on the total number of BPS recipients in Wales (ca. 17,000), it could be assumed that mainstream Welsh farms have an average of 2.2 workers.

90. Given that farmers typically work significantly more than the nominal 1900-hour year, these figures should be used as an indicator of affordability and economic pressure rather than on-farm labour requirements. These figures should not be used to deny that labour challenges are likely to exist for some of the more intensive agricultural sectors such as dairy, poultry and food processing in certain parts of Wales.
91. The agricultural sector in Wales continues to face challenges in terms of the availability and resources of veterinary services.
92. Over the past twenty years there has been a number of changes in the demands on the veterinary profession in Wales. More specifically, with respect to veterinary services for farmed animals, there has been a sizable increase in the regulative demands of animal health and welfare in the guise of disease testing and surveillance.
93. There are many examples in which animal health and welfare incentives have influenced a change in the work demands of farmed animal veterinary services, which include, but are not exhaustive to, Bovine TB testing, BVD testing, Veterinary Attestation requirements for exports, sheep scab surveillance testing, pre and post anthelmintic use testing and flock and herd health planning.
94. Such demands are likely to increase through the introduction of the SFS in Wales and the ongoing surveillance of diseases such as Bluetounge Virus, Foot and Mouth Disease and Avian Influenza.
95. Many of these initiatives are rightfully designed to improve the health and welfare of farmed animals in which positive outcomes would include a reduced dependence on veterinarians, however, such health planning demands the time of veterinary professionals in an advisory capacity to achieve the best outcomes.
96. The FUW has previously raised concerns with regards to the reduction of independent veterinary practices in Wales. This observational shift is also supported by the Competition and Markets Authority review which reported that independent veterinary practices have declined, with the number of practices owned by large companies increasing from 10% in 2013 to 60% in 2024.²⁵ Having larger practices can often make it more difficult to forge working relationships between farmers and their farm vets.

²⁵ [CMA identifies multiple concerns in vets market](#)

What could the UK Government's proposed 'UK-EU reset' achieve for the farming sector in Wales?

97. The FUW has long maintained that the UK Government must seek to improve its relationship with the EU and neighbouring countries in order to protect UK food security.²⁶
98. As such, the UK Government's proposed UK-EU reset is a welcomed opportunity to ensure that both food imports and exports are subject to the same custom and standard controls which not only provides a level playing field between UK and EU producers but also significantly reduces the risk of diseases.
99. Given the importance, value and proximity of the EU market for agricultural products it is essential that continued unfettered access to this market is prioritised over the signing of other trade agreements that would come nowhere near compensating for the loss of any European market.
100. The long-term security of the EU market for the trading of agri-food products should not be underestimated given the current volatility of global markets amid tensions over tariffs.
101. It is therefore imperative that UK Trade Strategy ensures that any future trade deals include a comprehensive set of safeguards significantly over and above standard World Trade Organisation (WTO) measures that take account of the full range of adverse impacts that could arise under a range of scenarios - including those relating to adverse knock-on impacts on UK trade with other countries, most notably EU Member States.

²⁶ [FUW A five point plan for UK Governments](#)