

Welsh Suckler Beef Production

Addressing Decline
and Securing a
Sustainable Future



Foreword

Despite strong prices and levels of demand for Welsh beef, the number of suckler cows – kept for the production of beef – is in long-term decline in Wales. Similar trends are observed across Britain with concerns for the critical mass of the sector.

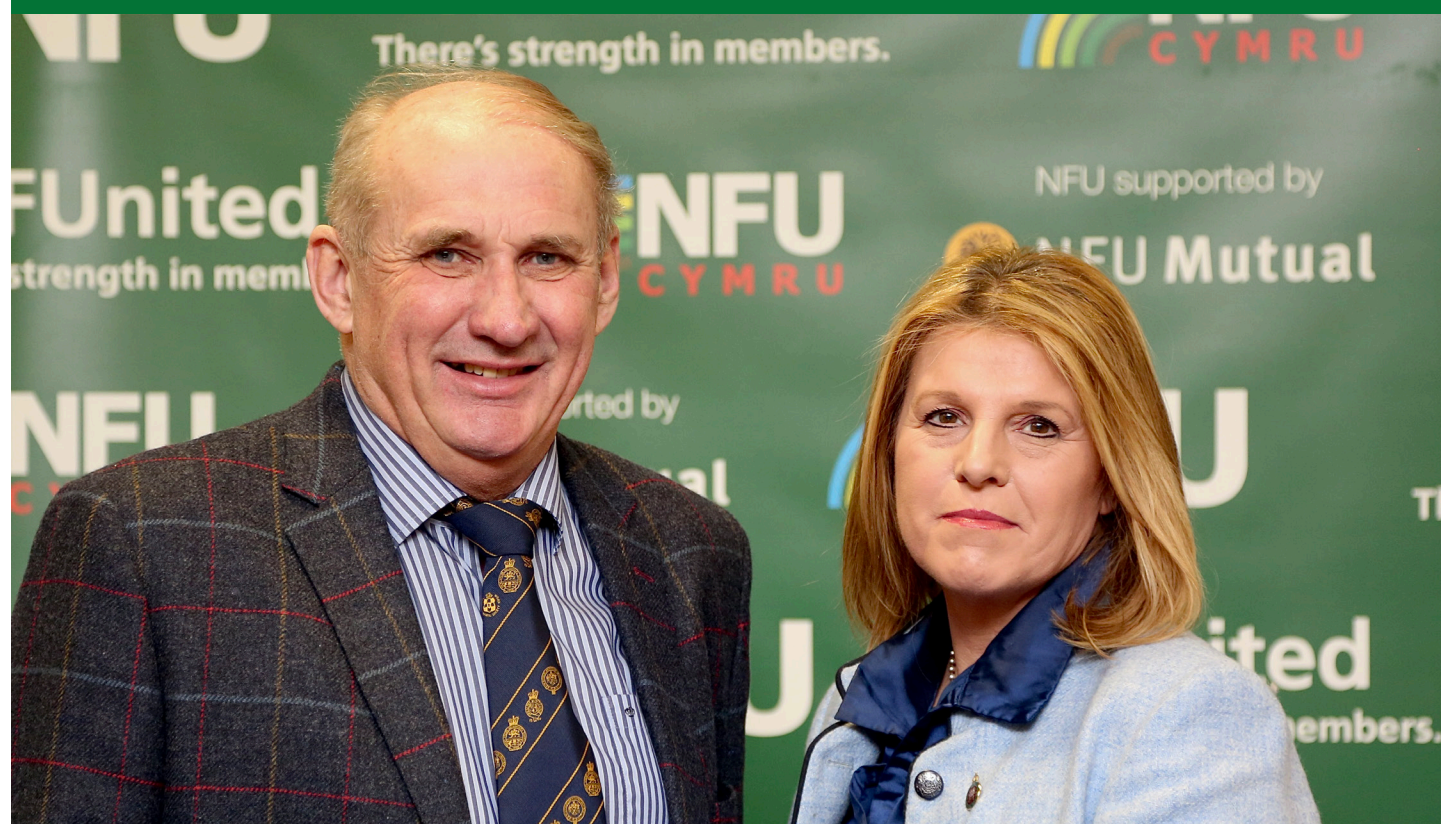
Against this backdrop, the NFU Cymru Livestock and LFA (Less Favoured Area) Boards have come together to consider the future of suckler cows in Wales. The Boards are clear that alongside the production of delicious, nutritious, high quality Welsh beef that is in demand both at home and abroad, suckler cows deliver multiple economic, environmental, social and cultural benefits for Wales.

An intrinsic part of Welsh livestock farming, suckler cows form an important part of our culture and heritage and have been integral to shaping and managing our iconic Welsh landscapes over generations.

This NFU Cymru Policy Paper explores the challenges and opportunities for suckler cow production in Wales and, at this time of profound change for the industry, puts forward policy recommendations to safeguard its future.

Robert Lewis, *NFU Cymru Livestock Board Chair*

Kath Whitrow, *NFU Cymru LFA Board Chair*



Introduction

Beef production is a key sector within Welsh livestock farming with suckler beef, produced from suckler cows, integral to that – alongside dairy beef produced from the dairy herd.

There are over 6,000 suckler cow herds in Wales contributing £390m or 18.6% of Welsh agricultural output. Exports of Welsh beef, in 2024, were estimated to be worth £79m with 90% (£71m) exported to the EU.

Many of these herds, which average 23 breeding animals, exist within Wales' Less Favoured Areas (LFAs) which extends to around 80% of farmland. These areas are naturally constrained by climate and topography and are often remote from markets. They are best suited to growing grass which can be turned into high quality, protein and nutrient rich red meat by ruminants. Cattle grazing and mixed grazing systems, that include sheep alongside cattle, are the mainstay of food production in Wales' LFA areas, helping to sustain viable farming communities, our iconic landscapes and the Welsh language.

Welsh beef has a well-established reputation for quality and it is an important source of protein, vitamins and minerals, leading to strong demand in markets both home and abroad.

Global beef consumption is predicted to grow by 11% by 2033 and Wales' rich natural resources, including our temperate climate and high levels of rainfall, together with the exemplary husbandry skills of our farmers, put the sector in a strong position for sustainable beef production going forward, particularly in the context of the predicted challenges to food production systems elsewhere.

The number of beef holdings has fallen from 10,816 in 2004 to 6,595 in 2023. The number of breeding cows (non-dairy breeds) fell by over 14% to 149,290 between 2013 and 2023. The June 2025 Survey of Agriculture and Horticulture shows a further 5% reduction in the size of the beef herd compared to June 2024. In 2000, the beef breeding herd (beef cows and in-calf heifers) was almost 248,000. Similar trends are observed across Britain with concerns for the critical mass of the sector.

In this policy paper, NFU Cymru explores the reasons for this decline, as well as looking at what is needed for the future at what is a time of profound change for the Welsh livestock industry.

NFU Cymru is committed to finding solutions that enable suckler cow herds to continue their essential role underpinning economic vitality and employment in some of Wales' remotest areas, supporting the ongoing, active management of some of Wales' most important habitats and iconic landscapes and continuing to contribute the raw ingredients to the £10.2 billion Welsh food foundation sector – Wales' biggest employer. To this end, the paper puts forward a series of policy recommendations to safeguard the suckler sector's future.



Productivity

Wales boasts many award-winning beef producers focussed on profitable and sustainable beef production. Productivity and efficiency improvements are driven by a range of factors including genetics, grassland management, feed efficiency and the use of technology and innovation such as electronic identification (EID) and databases for benchmarking herd performance.

Bovine EID can aid data collection, save time, reduce risk to cattle and operators – improving farm safety; also providing real-time accurate movement data in line with the new cattle database expected in 2027. Ongoing investment support in this area is important, noting that smaller suckler herds will need support to adjust to the new system and to realise the wider benefits of enhanced data collection.

Despite strong consumer demand and prices for beef domestically and globally, suckler cow numbers have been in long-term decline in Wales and farmer confidence in the sector is at rock bottom. Similar declines have been observed across the rest of the UK. In other countries such as Scotland and Ireland, targeted programmes of support for the beef sector have been put in place. For example, in Scotland, the

'Meating our potential' initiative is a collaboration aimed at inspiring confidence in growing production capabilities and mitigating unnecessary increased reliance on imported red meat from elsewhere. No similar support or initiatives exist in Wales currently.

Suckler beef production is a long-term business with high start-up costs. Suckler cow margins have been under pressure for many years and high input and capital costs are a major concern for the sector's profitability and long-term viability. Farm Business Survey in Wales data shows the average cost of production for suckled calves in 2024/25 was 256 pence per kg liveweight, ranging from 166 pence per kg liveweight for the top third and 352 pence per kg liveweight in the bottom third where fixed costs are generally higher.

Analysis undertaken by HSBC on suckler cows (spring calving) shows a net margin (before support payments) of between -97.2 and -44 pence per kg liveweight.

The ability of farmers to stay in the sector is also challenged by wider issues such as regulation and bovine TB which are explored later in this report.

Harri Parri – mixed farmer on Llŷn Peninsula

Alongside our sheep, arable and free-range egg enterprises, we run approximately 200 Stabiliser cows over 700 acres at Crugeran with the followers retained as replacements, sold for breeding or finished on farm.

Our focus is threefold – selecting the right genetics, having a high health status, and providing quality nutrition to underpin profitability. Performance recording and the use of Estimated Breeding Values (EBVs) is central to our approach as a breeder of breeding stock. We focus on the maternal and economical traits. These are what we can control and not worry too much at the end price. High stocking density of low maintenance fertile cows is the main driver for profitability in a suckler herd. To achieve this, we use a number of EBVs and traits. Birth weight, mature cow size, fat depth to name a few. All this is applicable to a commercial herd producing stores or finishing.



Social and cultural heritage

Suckler cows are inherent to the social fabric of some of Wales's remotest areas. Providing a stronghold for the Welsh language, these iconic places are living, working, dynamic landscapes. Livestock farming has sustained our farming communities for centuries, providing both direct and indirect employment. Other sources of rural employment such as tourism are deeply entwined.

Cattle grazing over generations has shaped the iconic Welsh landscape. Characterised by traditional buildings and enclosed fields that require a range of traditional skills such as hedging and dry-stone walling – these traditional features are a key part of our cultural heritage and are central to providing a unique 'sense of place' alongside our native Welsh breeds of livestock. Recognised under the Global Biodiversity Framework, supporting and promoting the genetic

resources of our native breeds and the crosses that emanate from them is, therefore, essential for preserving Welsh farming culture and breeding traditions.

In this context our suckler beef herds play an important role enhancing the visitor experience of the Welsh countryside. There should be a focus on increasing public awareness of the important contribution of cattle to our environment as well as public safety, particularly for access users with dogs, on rights of way and on common land to ensure their safety around cattle including bulls, cows with calves at foot and youngstock. Similarly, there are low levels of understanding of the disease risks posed by dogs associated with neospora and more must be done to support the sector raising public awareness.

Jessica Williams – beef and sheep farmer at Brynchrug, Tywyn

I farm at Dolaugwyn in partnership with my husband Hugh. The farm is home to the Rhydygarnedd and Gerddi Bluog herds of Welsh Black cattle, Gwartheg Duon. A proportion of the female progeny are retained every year as replacements and other breeding females are sold at the Welsh Black Cattle Society pedigree sales, some to overseas buyers. Steers are marketed through Farmers Marts, Dolgellau, with the occasional steer shown at the Royal Welsh Winter Fair.

Welsh Black cattle are one of the oldest breeds in Britain and have been bred in Wales for over 1,000 years. The cattle are intrinsic to this ancient landscape, which rises to steep slopes from the farmyard. A site of historical importance, both the house and the cowshed date back to the 1600s and are listed Grade II*.

We combine the traditional strengths of the breed with technological advances, placing great weight on herd health, with the herd being "Elite Herd Health Status". The cattle at Dolaugwyn are the link between the past and the future in this rural landscape, delivering for farming and the environment.



Environment

Suckler beef production systems are inherently sustainable, producing high-quality protein on marginal land which is largely unsuited for other crops. Grass and rainwater are utilised to rear animals, thereby not exporting the impact of production and contributing to deforestation and the unsustainable use of water resources elsewhere in the world.

Cattle grazing and mixed grazing systems play an important role in habitat management. Cattle grazing promotes a greater diversity of plants and sward structure. Trampling can aid with bracken encroachment issues. Research has demonstrated that the loss of cattle grazing has been instrumental in the spread of invasive hill grass species like *Molinia*, linked to the loss of important heathland habitats of international conservation importance. In a changing climate, the action of grazing by suckler cow herds is likely to be increasingly important for managing the build-up of vegetation and reducing the risk of wildfire, particularly on common land which extends to 10% of Wales' land area. In recent years there has been an increase of common land grazing with cattle aided by the use of technology such as GPS collars.

Welsh farmland also acts as an important carbon store. Livestock play a key role in regenerative farming – farmland grazed by cattle benefits from manure which increases the level of soil organic matter. There is also a growing body of evidence that grazed animals with the right management can actively sequester and store more carbon into the soil. The production of manures from suckler cow herds also supports circular economy principles, reducing reliance on carbon intensive manufactured fertilisers – vital for grassland and arable systems in line with regenerative farming principles.

Evidence presented in HCC's Welsh Way report shows that Welsh beef has high sustainability credentials, with beef production emissions in Wales measuring at around 40% of the global average. The narrative that cattle are bad for our environment is, therefore, false and damaging and all too often based on global statistics that are not reflective of production systems here in Wales.

It is important to recognise the significant efforts of farmers to further improve sustainability. Emissions reductions throughout the red meat sector are achievable through efficiency measures and, whilst every farm is different, measures such as genetics and breeding for specific desirable traits, reduced calving interval and reduced mortality offer opportunities for productivity gains. Meanwhile, a focus on feed efficiency, utilising home-grown forage and proteins and feed supplements can also lower methane emissions. NFU Cymru is supportive of research, development and knowledge exchange activity alongside investment support that aids the efficiency of the sector.

The lack of data on on-farm practices and the lack of harmonisation of greenhouse gas (GHG) accounting tools means that demonstrating progress to reduce emissions per unit of production remains challenging. The Sustainable Farming Scheme (SFS) proposal for a farm level carbon baseline will have a role to play in demonstrating the sectors' sustainability and tracking progress, recognising that GHG emissions is just one measure. Dual reporting of methane emissions using both GWP* and GWP100 also offers opportunities to build a more accurate picture of the emissions associated with the beef sector.

Katie-Rose Davies – beef and sheep farmer in the South Wales Valleys

Our farm, near Bridgend, rises from 1,000 feet at the farmyard to 1,850 feet at its highest point on Bwlch Mountain. We run 800 South Wales Mountain ewes and 45 Stabiliser cows, selling suckled calves at 6-7 months straight off the cow.

*The aim is to breed small-framed cows which hold their condition and ability to thrive and perform in a harsh hill environment. Suckler cows are a vital resource in the uplands and hills of Wales, converting poor quality forage into high quality meat, playing a vital role in managing the large areas of habitat on our farm and preventing *Molinia* encroachment.*

We use no-fence virtual grazing technology to assist with monitoring herd movement and creating targeted grazing blocks on areas of the hill with the aim of improving the SSSI that's under-grazed. Working with South Wales Fire Service, we are also using cattle grazing to reduce wildfire risk by creating firebreaks.



The market

The UK is 85% self-sufficient in beef and is a net importer, importing 154,000 tonnes in 2023 and an estimated 164,000 tonnes in 2024. The shortfall to meet UK demand is projected to increase further to 278,000 tonnes by 2030 . Global demand for beef is also set to increase and factors like population growth, a changing climate and increasing competition for finite resources mean that food security can no longer be taken for granted.

In this context, there are considerable opportunities both at home and abroad for Welsh beef producers across suckler and dairy beef production systems if the current challenges faced by farmers can be addressed.

NFU Cymru has long called for a comprehensive 'Farm to Fork' food strategy, recognising the foundational role that Welsh farming and food production plays in our economy, the challenges to global food production and political instability and conflict in Europe and beyond.

Effective marketing and promotion are key to increasing trade in Welsh beef and Hybu Cig Cymru (HCC) has a central role investing levy payers' money for the promotion of Welsh beef, its quality and sustainability credentials internationally. Levy payers must feel that there is genuine accountability for how their money is spent. Recognising the

significant economic opportunity that exists, Welsh Government should support export growth by match funding levy payers' contribution. Consideration needs to be given to how the levy and government funding can dovetail to support the development, marketing and promotion of Welsh beef, drawing on examples in operation in other countries, for example, Bord Bia in Ireland.

Realising the benefits for Welsh beef producers is dependent upon government policies and retailers recognising Wales' high production standards and securing commitments that safeguard Welsh beef producers from being undermined by imported products produced to lower standards. Clear labelling, including out-of-home, that informs consumers about the origin and quality of the meat products they purchase is crucial.

Following our departure from the EU, the responsibility for trade policy sits with the UK Government. Unfair global competition and uneven playing fields expose Welsh farmers to economic risks. It is essential that existing or ongoing trade agreements do not allow imports produced in ways which would be illegal here or to a lower standard.

In addition, trade agreements should contain reactive and efficient safeguard clauses to mitigate any market disruption as a result of imbalances in trade. Trade policy should also take account of the fact that the cost of producing to the standards expected in Wales is much higher when compared to many other international competitors.

The achievement of Negligible Risk Status for BSE is positive for global trade opportunities. However, the current risk of introducing exotic disease through food fraud and illegal meat entering the UK is unacceptable. Governments must commit to ensuring effective, proportionate and well-funded border control measures and sufficient enforcement to stamp out illegal activity.

Sion Jones, Cigydd Sion Jones Butchers in Llanon, Ceredigion

Cigydd Sion Jones Butchers attracts a broad range of customers including our regulars, those who pop in from time to time or to shop for 'high days and holidays' and also the many tourists who visit the area. We also offer a free delivery service locally and supply eight other local shops three times per week. We have to adapt to the changing needs and tastes of consumers and about half of what we sell are new and innovative products, for example, beef truffles.

Buying local stock from local, trusted sources underpins our business model. As well as beef supplied by our family farm, we have half a dozen or so regular suppliers in the locality. There is a lot of mutual trust and respect, and we understand the challenges that farmers are facing and believe that they deserve a fair price for the quality of their produce.

Whilst the increasing cost of regulation is putting many small abattoirs out of business, we use the facility at Tregaron which is well used and adds to the low food miles story.

From a price perspective we are often very competitive and we believe that the quality of our locally sourced beef produced to high standards speaks for itself.



The product

Welsh beef is a staple and highly versatile meal choice for consumers, important as part of a balanced diet, in line with NHS Eat Well recommendations. Beef is nutrient-dense and an essential source of protein, vitamins and minerals such as iron, zinc and vitamin B12, which are more bioavailable than other sources.

The crucial role that red meat plays in the diet was reemphasized by over 1,000 scientists in the Dublin Declaration which highlighted that livestock derived foods provide a variety of essential nutrients and other health-promoting compounds, many of which are lacking in diets globally, even among those populations with higher incomes.

Produced to some of the highest animal welfare and environmental standards in the world, the unique heritage, character and reputation of Welsh beef is recognised with Protected Geographical Indication (PGI) status. Taste, sustainability, health and nutrition are at the heart of PGI Welsh Beef. Production standards relating to food safety, traceability, environmental protection and animal welfare are protected through farm assurance.



Supply chain

Beef carcasses provide a highly ubiquitous range of cuts and products at a range of price points meeting diverse market requirements for markets domestically and overseas. By-products include hides and tallow – both important in worldwide markets.

Within suckler beef systems, there are a wide range of production systems and marketing options. This includes Wales' network of livestock marts which play a central role as economic and social hubs underpinning the vibrancy of our rural areas.

However, as with other farming sectors, suckler beef producers are, in the main, price takers and subject to inherent volatility and market fluctuations.

In this context NFU Cymru highlights the need for supply chains to operate fairly, transparently and proportionately. We encourage contractual arrangements and believe that sanctions should be imposed on unfair practices by others in the food chain. Market transparency is needed within the sector to ensure pricing is a fair reflection of the market.

Currently a small proportion of suckler beef is sold through integrated food chains and there could be potential opportunities to increase this for the benefit of producers working with processors, retailers and the food service sector. There are also opportunities to increase the number of cattle finished in Wales retaining the added value within Wales.

Rhys Evans, Chief Executive, Farmers Marts (R G Jones) Ltd, Dolgellau

Our Company Farmers Marts (R G Jones) Ltd based in the vibrant heartbeat of Meirionnydd's agricultural community was established in 1953. We are a trusted cooperative society dedicated to providing auctioneering services in the market town of Dolgellau.

Our renowned store cattle sales from the suckler cow are core to our business, providing an essential link in the food chain with a rich tradition of connecting local and further away buyers and sellers. Despite the recent strong prices, we are concerned about the significant fall in beef cattle numbers in Wales. Farmers Marts is more than just a marketplace; it's a gathering place where the agricultural spirit thrives and top-quality beef cattle are an essential part of this.

Procurement

NFU Cymru has long highlighted opportunities for Welsh Government to deliver fairer, more transparent supply chains and leadership with respect to public sector procurement in Wales. With its sustainability credentials and high nutritional value, PGI Welsh Beef should be the first choice when it comes to product sourcing in Welsh schools, hospitals and the wider public sector, reducing food miles, supporting job creation and ensuring that the value added further down the supply chain is retained in Wales.

Welsh Government should also put in place measures to ensure that any food products procured by the public sector from outside Wales match or exceed the standards Welsh farmers are required to adhere to.

Critical mass

Critical mass is vital to sustain the Welsh beef sector and the wider supply chain which provides key employment opportunities in areas of Wales where job opportunities are limited. Adequate livestock numbers are vital to create a workable margin for supply chain businesses such as abattoirs, veterinary practices, marts, feed suppliers and manufacturers.

The processing sector in Wales has invested significantly in infrastructure, equipment and staff and is currently not operating at full capacity. The number of abattoirs in Wales has reduced from 34 in 1995 to 17 in 2023, with approximately 90% of the throughput in Wales now processed through three abattoirs. A critical mass of cattle is crucial to maximise efficiencies and ensure sufficient quantity and continuity of supply is available to meet demand for our product at home and abroad.

To service the maximum range of markets it is important to have a good mix of large, medium and small abattoirs strategically located across Wales. Our larger abattoirs allow us to be able to access the major retailers and export markets, whilst smaller abattoirs offer important flexibility to add value through direct marketing, supplying independent retailers and the hospitality sector. Securing investment, limited access to skilled labour, the falling value of the fifth quarter and ongoing challenges with the application of Food Standards Agency (FSA) controls are significant challenges for the abattoir sector in Wales that need to be addressed.



Dr Julie Finch, Kepak

Kepak is one of the UK and Ireland's leading food companies, operating 16 sites across both countries and employing thousands of people in local communities.

Our Merthyr Tydfil facility is the Group's flagship site for cattle and sheep processing. Over recent years, we have continued to invest in infrastructure, equipment and people to ensure the site

operates efficiently and responsibly for our customers. Today, the Merthyr site directly employs more than 1,200 skilled colleagues and contributes over £200 million annually to the Welsh economy.

A reliable and sustainable supply of livestock is essential to meeting growing demand for high-quality, nutritious protein. Suckler beef plays an important role in this supply. For generations, hardy suckler cattle have helped shape and manage the Welsh landscape, supporting biodiversity while producing nutrient-dense food from land that is largely unsuitable for other types of food production.

Maintaining a sufficient population of cattle, including suckler herds, is therefore important for long-term food security and for the stability of rural communities and the wider Welsh economy.

Animal health

Welsh farmers operate to high standards of animal health and welfare. These values underpin the productivity of suckler cow herds and are also essential to maintaining consumer confidence in Welsh beef. Reducing levels of antibiotic usage on Welsh farms to reduce the risk of antimicrobial resistance is one example of recent progress.

Bovine tuberculosis (bTB), however, continues to have a major economic and psychological impact on Welsh farming communities. Government data consistently shows thousands of cattle are being slaughtered every year because of bovine TB and hundreds of farm businesses in Wales are restricted because of bovine TB.

Bovine TB restrictions pose particular problems for suckler cow producers with severe cash flow impacts on affected businesses. Farms under bovine TB restriction are unable to manage stock numbers which impacts on compliance with the Control of Agricultural Pollution Regulations (COAP), particularly, the slurry storage requirements. Movement restrictions associated with a bovine TB breakdown can also hinder conservation grazing.

NFU Cymru continues to call for a comprehensive TB eradication strategy that deals with the disease wherever it exists. The NFU Cymru TB Focus Group continues to lobby for TB policy changes which introduce additional flexibility and reduce the detrimental impact of farming with bTB.

NFU Cymru supports the ambition of a BVD (Bovine Viral Diarrhoea) free herd in Wales and the financial and herd health benefits it would bring to suckler cow producers. However, concern remains about the costs and legislative burden associated with the regulations, particularly for small scale producers. Legislation recognising 'tag and test' in determining disease status would be an important step forward.

Emerging diseases such as Bluetongue Virus impact on animal health and performance, cause anxiety and come with associated costs and complexity, all of which have the effect of undermining confidence in suckler cow production. Endemic and exotic disease outbreaks can have a devastating effect on markets and trade. Welsh Government and its agencies should work with industry to design long term and properly-funded disease control and eradication strategies based on science and evidence.

Prevention is better than cure and biosecurity is a farmer's first line of defence when it comes to animal health. Mixed grazing can have animal health benefits helping to reduce the parasite challenge and reliance on anthelmintics. However, demonstrating the return on investment on infrastructure for improved biosecurity and safe handling equipment can be challenging, particularly for smaller suckler cow herds, even where grant support is available.

Maarten Davies – beef and sheep farmer at Llandeloy, Pembrokeshire

We run 85 cows and 120 ewes, growing the majority of the feed on farm. The progeny are finished at 30 months ranging from 250kg-410kg deadweight depending on the breed.

After a four-year cycle of TB breakdowns, I took the decision to change the business model from buying store cattle to fatten to suckler beef production. Applying for a licence every time I wanted to buy stores was constraining and I only received compensation at half their market value for any cattle subsequently slaughtered due to TB. It was uneconomic.

The whole scenario of TB is a massive burden and living with the constant worry of infection does affect you mentally.

Regulation

The current regulatory burden is a cause of stress and anxiety for farming families and further undermines farmer confidence. This includes the Control of Agricultural Pollution Regulations (2021) (COAP) which came into force on 1 April 2021 with transitional periods for some elements.

Welsh Government's own regulatory impact assessment (RIA) identified that the regulations would cost Welsh farmers as much as £360 million in infrastructure costs alone – with additional costs for annual compliance. This projected cost of compliance has increased significantly as a result of increased building costs, meaning the infrastructure costs may now approach half a billion pounds.

The costs and burden associated with the COAP Regulations present particular difficulties for suckler cow producers who often do not have the economies of scale to justify costly infrastructure investments for slurry and silage storage, forcing them to consider their future in the sector. Securing the necessary permissions for new infrastructure, even where this delivers environmental improvement, is also challenging – particularly within designated landscapes. Updated guidance to local planning authorities and Natural Resources Wales to enable planning development on-farm to meet regulatory requirements and for environmental betterment is urgently needed.

A specific cost-benefit analysis is also required to understand the specific impact of the regulations on suckler cow herds. A wider review is needed to ensure policy and regulation measures proactively support the sector and supply chain. Moving forward, any proposals for further tightening of regulations should be based on the latest scientific data and supported by full economic impact assessment that considers the specific impacts on suckler beef producers.

It is also important to recognise that, as the transition to the SFS begins, the regulatory burden is set to increase. The new scheme is a very significant change for farmers. NFU Cymru remains concerned about the significant level of detail, constraints, administration, costs and bureaucracy attached to the scheme, which is far greater than anything seen before. Farmers will need time to adapt to the new scheme. In this context, NFU Cymru is seeking assurances from Welsh Government that Rural Payments Wales (RPW) will adopt an advisory approach to delivery and seek to minimise the stress and anxiety that farmers experience at inspection and the disproportionate system of penalties.

More broadly, NFU Cymru continues to lobby for an independent review group to consider the cumulative burden of regulation and red-tape and bureaucracy facing the agricultural sector. Such a review needs to be ambitious and all-encompassing encouraging and supporting an enabling policy, regulatory and planning framework for Welsh farming.



The Policy Framework

Alongside the provision of Welsh beef, suckler beef production systems have an important economic, environmental, social and cultural role to play in line with the sustainable land management objectives of the Sustainable Farming Scheme (SFS). The overarching framework of the scheme arranged around the universal, optional and collaborative action layers provides the flexibility to provide the underpinning stability and bespoke support needed by the sector.

Funding for the SFS is critical and we are clear that Welsh farming needs an index-linked budget to meet its ambitions for growth, to underpin the financial resilience of family farms and rural communities, alongside and in harmony with environmental and climate ambitions. A ring-fenced multi-annual budget in excess of £500m per annum – with the bulk of the funding directed to providing stability and supporting productivity and efficiency gains on farm – is needed. A minimum 70% of the budget should be allocated to the universal layer of the Scheme.

NFU Cymru has long highlighted the need for the SFS to provide at least the same level of stability to farm businesses, rural communities and the supply chain as the Basic Payment Scheme (BPS) does currently. The Social Value Payment, recognising the wider benefits provided by



farming, included as part of the universal layer of the scheme, provides an essential component of stability. NFU Cymru is clear that the universal payment, including the social value payment, must be a central feature of SFS to ensure stability over the long-term.

NFU Cymru has also been clear that Welsh Government should commit to evolving the scheme if certain sectors or areas are disadvantaged or if the scheme is shown to hamper and harm ambitions to continue to grow the Welsh food sector from farm to fork. This includes recognising the link between support and production, particularly in livestock sectors such as suckler cow systems that are challenged by structural decline.

At the optional layer of the scheme, sustainable production has been included as one of 14 themes available in 2026. The aim of this option is to improve farm efficiency and sustainability whilst at the same time reducing greenhouse gas (GHG) emissions. The initial offer focusses on improvements and efficiencies in livestock production through sustainably reducing the age to slaughter of prime beef animals. It would work on a model of payment by results if the age to slaughter has been reduced and beef sire registration with support for capturing the sire

identification of beef sired calves on the Cattle Tracing System.

The roll-out of this theme must be prioritised for 2026 and developed further, in partnership with industry, to offer specific, targeted support for suckler cow producers to include a focus on themes such as agri-environment and climate actions; coupled income support; payment for natural and other area-specific constraints; and investments in farm buildings and infrastructure.

Productive investments that contribute to the resilience of the sector, the supply chain and our rural areas could include a focus on:

- **Breeding** – bovine animals of high genetic value for breeding to improve the quality and productivity of livestock herds or to local breeds that are suitable for the environment.
- **Infrastructure** – modern well-ventilated sheds, infrastructure, equipment for handling animals, feeding systems and manure management
- **Animal health, welfare and biosecurity** including isolation units and better biosecurity equipment to reduce disease risk on farm

Alongside long-term stability provided at the universal layer and bespoke measures for the sector at the optional layer, knowledge exchange, training and advice to improve productivity and competitiveness will be central to ensuring that the number of suckler cow producers is stabilised and maintained for the future.

More broadly, it is vital that Welsh farming families are at the centre of rural policy. There are now multiple, competing pressures on land use in Wales. In Scotland, the Scottish Government has confirmed that their route to net zero will not come at the expense of farmers and that it will diverge from the advice of the UK Climate Change Committee for livestock reductions in its Climate Change Plan to 2040. Similarly, Welsh Government climate policies should not result in off-shoring of production and changes to land use at the expense of food production and rural communities.

NFU Cymru's long-held vision for the development of new agricultural policy comprises a single, integrated, flexible framework based around the three cornerstones of productivity, environmental and stability measures available to all active farmers to underpin food production, the sustainability credentials of Welsh food and drink and to assist with income volatility arising from factors beyond the control of individual farm businesses.

Key asks

To safeguard the future of suckler beef production in Wales, NFU Cymru is calling for:

Policy

- A long term, multi-annual, ring-fenced budget of £500m per year for Welsh farming (accounting for inflation).
- At least 70% of SFS budget to the universal layer. Scheme funding must be at least that delivered by the BPS.
- Welsh Government to work with industry to prioritise the roll-out of the Sustainable Production Optional Action (SFS) and the development of a targeted programme of support for the suckler herd to secure critical mass.
- Welsh Government climate policies should not result in off-shoring of production and changes to land use at the expense of food production and rural communities.

Regulation

- An independent review group to examine the cumulative regulatory burden Welsh farmers are subject to.
- Legislative change to Control of Agricultural Pollution Regulations (2021) to ensure it is proportional and targeted. A wider review is needed to ensure policy and regulation measures proactively support the suckler beef sector and supply chain.
- Updated planning guidance on farm planning applications in relation to regulatory requirements and environmental benefits.
- RPW should adopt advisory approach to SFS and minimise stress and anxiety of inspections and disproportionate penalties.

Marketing and trade

- A comprehensive 'Farm to Fork' Food Strategy
- Enhance the effectiveness of HCC to maximise value for levy payers. Welsh Government should support export growth by match funding levy payers' contribution.
- It is essential that existing or ongoing trade agreements do not allow imports produced in ways which would be illegal here or to a lower standard.
- Clear labelling, including out-of-home, that informs consumers about the origin and quality of the meat products they purchase is crucial.
- Governments must commit to ensuring effective, proportionate and well-funded border control measures and sufficient enforcement to stamp out illegal activity.
- Greater support for Welsh farmers through government procurement.

Animal health

- A comprehensive bTB strategy addressing disease wherever it exists.
- Welsh BVD Eradication Scheme should recognise role of tag and test in determining animal status, as well as a method for herd screening.
- Disease control and eradication strategies must be developed in partnership with the farming industry, with a focus on science and evidence.
- Preventing disease with a cross-government biosecurity strategy and protecting Welsh livestock with effective border controls should be core functions of Welsh Government's work on animal disease.