

To: Welsh Government

Date: 07/05/2024

Circulation: NFU Cymru

Contact: Tori Morgan / Dafydd Jarrett

Tel: 01982 554200

Email: Nfu.cymru@nfu.org.uk

NFU Cymru response to the consultation on fairer food labelling

NFU Cymru champions Welsh farming and represents farmers throughout Wales and across all sectors. NFU Cymru's vision is for a productive, profitable and progressive farming sector producing world renowned climate-friendly food in an environment and landscape that provides habitats for our nature to thrive. Welsh food and farming delivering economic, environmental, cultural and social benefits for all the people of Wales whilst meeting our ambition for net zero agriculture by 2040.

The importance of the farming industry in rural Wales cannot be over-stated. Welsh farming businesses are the backbone of the Welsh rural economy, the axis around which rural communities turn. The raw ingredients that we produce are the cornerstone of the £8.1 billion Welsh food and drink industry which is Wales' largest employer employing over 233,500 people.

Welsh farmers also play a key role maintaining and enhancing our natural environment – Wales' key asset. Farming activity supports a diverse range of species, habitats and ecosystems, provides a range of ecosystem services including flood alleviation, carbon sequestration, climate change mitigation; and delivers the significant backdrop for Wales' tourism and recreation sector worth an estimated £2.5bn annually.

NFU Cymru welcomes the opportunity to respond to this consultation on fairer food labelling. This consultation is a tale of two halves, we are extremely supportive of proposals to expand the scope for country of origin labelling, which is something we have long been calling for. However, we are deeply concerned about the proposals for method of production labelling and believe it would over-simplify a complex area, risk causing confusion for consumers and would carry an unreasonable burden to food and farming businesses.

We are proud that the Welsh public associate Welsh farmers, first and foremost, with providing safe, high quality and traceable food. Research from Business Wales¹ tells us that eight out of ten Welsh shoppers would choose Welsh for top products on a like for like basis in a retail setting. In food service, the same research shows us that nine out of ten guests think it's important that venues have a good range of dishes with Welsh ingredients and that Welsh dishes / products should be better promoted in venues. We are clear there is considerable scope to gain a marketing advantage through positive and proactive marketing, which includes clear and transparent labelling of Welsh produce in whichever setting it is served or available to consumers.

Welsh farmers are proud of the provenance and heritage that is associated with Welsh food and drink. Wales is also home to 19 food and drink products which carry Geographical Indication (GI) status², which includes iconic products such as PGI Welsh Lamb and Beef, PGI Pembrokeshire Early Potatoes, PGI Welsh Leeks and PGI Traditional Welsh Caerphilly

¹ <https://businesswales.gov.wales/foodanddrink/welsh-food-drink-performance/value-welshness>

² <https://businesswales.gov.wales/foodanddrink/how-we-can-help/new-uk-geographical-indication-gi-schemes-0>

#WeAreWelshFarming

cheese. The GI logo signifies a distinctive quality, authenticity and heritage, all of which should be promoted and communicated to customers by using the logo at every opportunity. In this context, we encourage Welsh Government to work with Defra and other devolved administrations to ensure the unique characteristics of Welsh food and drink are protected, celebrated and promoted.

The area of food labelling is extremely complex and is something our members feel passionately about. They regularly get in touch with us to highlight examples of good and bad practise, in both retail and hospitality settings. NFU Cymru would welcome further engagement with Welsh Government on the areas detailed in this response.

Part A: Country of origin labelling

[Question 1 – 15 are about identifying your business which we have done in our introduction]

Question 16 a) How important do you think it is that mandatory country of origin labelling rules be changed so that they apply to the meat used in minimally processed meat products as they do already to unprocessed meat?

[Very important / Important / Neutral / Not very important / Not at all important / Don't know]

Question 16 b) Please explain your answer.

NFU Cymru believes in clear unambiguous labelling which enables shoppers to make informed purchasing decisions. Any product claims must be justified to ensure the consumer is not misled.

NFU Cymru welcomes measures to improve country of origin labelling and to give shoppers more transparency on where a product has been produced. An NFU Cymru commissioned survey conducted by YouGov³ found that three quarters of Welsh adults (74%) view food produced in Wales as high quality. Clear front of pack country of origin labelling can help consumers make informed purchasing decisions and allow them to select goods which are produced by Welsh farmers.

AHDB research⁴ demonstrates that there is demand from shoppers for information around provenance and assurance to enable them to make an informed choice. The research found that shoppers find it useful when the origin of the product is highlighted and that logos for relevant assurance schemes are included on-pack regardless of the protein type or cut of meat.

Mandatory country of origin information is already required for unprocessed fresh and frozen meat from beef cattle, sheep, goat, pigs and poultry. As soon as a food manufacturer alters the unprocessed product, for example, marinating, curing or heating the product, this is classed as processing and subsequently the country of origin labelling is not required. NFU Cymru would welcome an expansion in the mandatory country of origin labelling to include minimally processed meat products.

³ <https://www.nfu-cymru.org.uk/news-and-information/new-nfu-cymru-survey-reveals-high-levels-of-public-support-for-government-spending-on-welsh-farming/>

⁴ <https://ahdb.org.uk/knowledge-library/consumer-insights-optimising-red-meat-labelling>

#WeAreWelshFarming

While most retailers label the country of origin of the meat or milk as an ingredient in processed foods, we hope that the proposals will also improve consistency and avoid vague or meaningless origin claims, for example ‘Made using British and EU chicken’ which would encapsulate some 28 countries. Annex 1 shows a lamb shank which is labelled as “Made using British and New Zealand lamb”, we hope the proposals would mean that this product would need to be labelled as one or the other not both.

However, we seek further clarity from Welsh Government as to the definition of “minimally processed” as this is not provided in the consultation. We note that the consultation suggests a list of products be used and our views on this are covered in subsequent questions.

Question 17. What five (minimally) processed meat products would be the most important to include?

It is difficult to prioritise products to include without a definition for what constitutes as “minimal processed”, and we question why there is a need to choose five.

NFU Cymru would suggest a clear definition is far preferable to a list approach as product names can change and consumer preferences / trends can emerge over time. A clear definition would future proof the legislation as otherwise, there may be a need to constantly update the list to ensure that the products intended to be covered by this legislation remain in scope.

Question 18. If we did not use a list approach, please describe any alternative approaches you would propose to define which minimally processed meat products are included?

NFU Cymru believes that mandatory labelling of meat in processed products should occur when meat is the primary ingredient and represents over 50% of the product.

In this context, ‘primary ingredient’ is defined by Regulation (EU) No 1169/2011 which states it means an ingredient or ingredients of a food that represent more than 50 % of that food or which are usually associated with the name of the food by the consumer and for which in most cases a quantitative indication is required.

Question 19 a) Do you think that the use of national flags on food requires more regulation than described above?

[Yes / No / Don't know]

Question 19 b) If ‘yes’, how would you further regulate the use of national flags on food?

NFU Cymru members regularly contact us with examples of where the use of the Welsh flag or Union Jack on food packaging or in store could be considered misleading as to the origin of the unprocessed product.

Our YouGov survey shows that only one in five (21%) of adults in Wales say they often or regularly check for flags / logos which indicate the food they are consuming is produced in Wales, with this proportion rising slightly for older consumers. Given the same piece of research demonstrated that 74% of consumers in Wales view food produced in Wales as high quality, there is an opportunity to capitalise on this to the benefit of Welsh farmers and

#WeAreWelshFarming

the whole supply chain. In this context, it is vital that where used the Welsh flag and / or Union Jack are used correctly to ensure that consumers are not misled into believing they are supporting Welsh farmers when they may in fact, be buying product produced elsewhere.

NFU Cymru members have raised the following specific concerns in relation to the use of national flags on food:

- Partial use of flags – where a flag is incorporated into the design of the packaging it can be cropped in such a way as to depict an entirely different origin. For example, the New Zealand or Australia flag is regularly incorporated into the design of meat packaging and the Union Jack prominence within the design can mislead consumers. This is illustrated in Annex 2 (a).
- “Made in Wales” or “Made in Britain” labels - while existing regulations requires the labelling of the primary ingredient in processed products where the primary ingredient is different to the origin of the food, we still don’t believe this is always clear and it’s not given the same level of prominence on-pack. For example, in Annex 2 (b), the ‘made in Britain’ logo is very prominent on the packaging and could be described as being in the ‘principle field of vision’, yet the declaration of origin is less prominent. For completeness, ‘principle field of vision’ means the field of vision of a package which is most likely to be seen at first glance by the consumer at the time of purchase and that enables the consumer to immediately identify a product in terms of its character or nature and, if applicable, its brand name. If a package has several identical principal fields of vision, the principal field of vision is the one chosen by the food business operator. (Regulation (EU) No 1169/2011).
- Shelf edge labelling - marketing material directly above products or directly below need to relate to the country of origin of the products on-shelf. NFU Cymru recognises the efforts that retailers make to support Welsh and British farmers and to tell the story that goes behind the product. However, on occasion, signage used to support Welsh and British products can direct the consumer to produce which is not Welsh / British but is located in close proximity. Examples of this can be seen in Annex 2 (c) and (d).
- Co- location of product – NFU Cymru members regularly raise concerns when product from Wales / the UK and other origins are mixed within the same shelf. For example, this regularly occurs in the lamb section where Welsh or British lamb is often mixed on the same shelf with New Zealand lamb. If the labels on pack or on the shelf edge are not clear, then there is a risk that consumers may be misled.
- Enforcement of current labelling regulation - NFU Cymru wishes to highlight that effective regulation is wholly contingent upon effective enforcement. Where potential breaches are raised, these should be swiftly investigated and corrective or enforcement measures applied in a timely manner.

Question 20. Should there be further controls on the use of flags on food labels?

[Yes [please specify what further controls are needed] / No / Don’t know]

#WeAreWelshFarming

With regards to [Commission Implementing Regulation \(EU\) 2018/775](#). Article 3 (c) there should be a requirement to make the Country of origin of the primary ingredient more prominent when indication is made in a non-scriptural form. As shown in Annex 1, logos and pictures are more prominent on the packaging than the origin of the primary ingredient.

As in our answer to question 19, NFU Cymru believes there should be further controls on the use of flags in packaging design to prevent them from being cropped and potentially misleading the consumer.

Question 21. Should there be an additional requirement that mandatory origin information should be on the front of the pack?

[Yes / No / Don't know]

Question 22. What should the minimum size font be for mandatory origin labelling?

[Stay the same / **Make larger than 1.2mm** 'x' height / Don't know]

Question 23. Should the written origin of food be accompanied by a national flag or other symbol?

[**Yes, a national flag** / Yes, a different symbol (please specify) / Not necessary / Don't know]

NFU Cymru believes that if there is a wish to accompany the written origin of food with a pictorial description then the national flag is the preferred option. Space on packaging is limited and developing a new symbol from scratch and building consumer recognition could cause confusion compared to national flags which are already well understood.

Question 24. What role should be played by labelling requirements for seafood, farmed or wild-caught, in order to encourage consumers to buy more locally caught or produced seafood?

N/A

Question 25. Do you think information on the origin of food is sufficiently clear when it is sold via online platforms (either from a mainstream grocery retailer or other general retail platforms)?

[Yes, it is sufficiently clear / **No, it is not sufficiently clear** / It varies / Don't know]

Question 26. What improvements would you like to see in how origin information is presented online, if any?

Online labelling is often unclear in terms or country of origin, often the online descriptions lists multiple countries the product could be sourced from. While we understand that it is more difficult to manage the origin labelling online in fresh produce supply chains due to their 'just in time' nature, we believe more clarity on origin can be given for other categories. For example, [Tesco online](#) offers a lamb half leg joint from the UK or New Zealand. In the origin description it says: "Produce of: Produced in the U.K. or New Zealand, Origin the U.K. or New Zealand". This is misleading for consumers and does not provide accurate sourcing information.

We welcome the commitments by the seven retailers who have committed to add 'buy British' pages listing certain products to their websites. This follows significant campaigning by us and more than 27,000 members of the public who have been calling for the creation and promotion of British filter buttons which would enable customers to select "British" when food shopping online. In this context, we welcome efforts by some retailers in Wales to highlight Welsh products, for example specific sections on the end of aisles, we would welcome similar efforts on their online sites to allow consumers to make the same decisions as they do in store about supporting Welsh food and drink.

Question 27 a) Should there be a mandatory requirement to state the origin of meat, seafood and/or dairy products in the out-of-home sector?

[Yes / No / Don't know]

Question 27 b) If yes, what form should this requirement take?

Where meat or meat preparations are the primary ingredient of a meal, and this has been 'minimally processed' (cooked, roasted, fried, sous vide), NFU Cymru believes there should be a requirement to label the country of origin of that meat on the menu. For example, steak and chips, half a chicken, roast beef would all have a requirement for labelling.

Currently, there is a mandatory requirement to label the country of origin for fresh, chilled and frozen meat from pigs, sheep, goats and poultry if being sold directly to a mass caterer. This means establishments should already have access to the information on origin required to label the meat.

Driven by NFU data provided by the CGA, we know that additional country of origin labelling can add both value to the consumer and the operator within the out of home market⁵. Our data has shown that customers are seeking more information when eating out on the food they are consuming. This research showed that 65% of consumers are more likely to visit a venue which claims its ingredients are sourced from British farms and 58% of consumers are likely to pay more for a meal if the provenance of the main ingredient was promoted.

The extra information about origin allows customers to make informed decisions when eating out, allowing them to make ordering decisions that align with their values. Our research has shown that 7 in 10 of individuals want to see food labelling on a menu improved. This additional information is particularly important for meat products, specifically red meat and poultry. The addition of further information can also support operators within the marketplace. The gold standard that we see is where menus in hospitality venues are able to pinpoint the exact farm from which the primary ingredients have come from.

For operators, the value of providing effective sourcing information shouldn't be underestimated. Additional information about origin is likely to reassure consumers and maintain a transparent relationship with customers that builds trust which in turn, encourages repeat visits. AHDB research⁶ has shown that when presented with mock menus and asked to select which areas signalled quality, logos of farm assurance schemes, accreditations and national flags were clear indicators to consumers especially when standards was combined with origin. Our research shows that three quarters of Welsh adults (74%) view food

⁵ <https://www.nfuonline.com/media/v0ddlku0/food-farming-and-hospitality-report.pdf>

⁶ <https://ahdb.org.uk/consumer-insight-reputation-in-foodservice-part-2>

#WeAreWelshFarming

produced in Wales as high quality, so there is benefits to out of home establishments in better communicating the origin of their food.

This is reinforced by the research from Business Wales⁷ which found that nine out of ten guests think it's important that venues have a good range of dishes with Welsh ingredients and 50% of guests would like more dishes on the menu with Welsh ingredients. It also found that four out of ten guests would pay more for dishes with Welsh ingredients and a quarter would be discouraged from visiting establishments where there was no Welsh offer. All of which proves, there is a clear economic incentive for hospitality businesses to not only sourcing Welsh food and drink, but also communicating about it clearly with consumers on menus and other marketing materials.

The implementation of any labelling requirements must work to enhance the transparency within the market and not mislead customers. The out of home market is fragmented in nature which could bring challenges around the accuracy and policing of such menu labels, steps must be taken to make sure that any labelling is correct and does not mislead the customer.

Question 28. Should the requirements be applied equally to all out-of-home food businesses?

[Yes / No – please specify which businesses would require different requirements and/or exemptions / Don't know]

There are a vast range of businesses which sit within the out of home market. These businesses range from large multi-sited operators to small singular-sited independent businesses. We recognise that this variation within the sector provides a challenge for the implementation of any additional labelling requirements. NFU Cymru encourages Welsh Government to engage further with the sector to understand where barriers may lie and to ensure that small businesses are not disproportionately impacted.

However, we know that one bad experience can significantly impact consumer perceptions and all food businesses, regardless of size of operator, are at risk of being undermined by cheaper imports produced in ways which may be illegal in Wales. If consumers in out of home settings are being exposed to these lower standard imports, this should be communicated to them.

Question 29. If measures such as mandatory origin for minimally processed meat products, increasing the visibility of origin labelling, controlling the use of national flags and/or mandating origin labelling for the out-of-home sector were introduced, what do you think are realistic timescales for businesses to implement such policies from the point at which they are announced?

[1 year / 2 years / 3 years / 4 years / 5 years and over / Don't know]

Question 30. What exemptions should be given, if any?

⁷ <https://businesswales.gov.wales/foodanddrink/welsh-food-drink-performance/value-welshness>

No comment – NFU Cymru believes this is something that Welsh Government should seek to engage with the hospitality sector on.

Question 31. Do you have any suggestions on how to smooth the costs and complexities of implementing these changes?

No comment – NFU Cymru believe this is something that Welsh Government should seek to engage with the hospitality sector on.

Question 32. Do you have any other suggestions for improving country of origin information?

NFU Cymru notes that the ‘Not for EU’ labelling requirements adds further information to the pack which could be confused with origin labelling or may dilute labelling that is already on the pack. We are concerned that including a “Not for EU” label on a large range of agri-food products as proposed by the UK Government could lead to confusion and misconceptions about the high quality products Welsh farmers produce. NFU Cymru believes that there are alternative approaches that should be considered ahead of a final decision on rolling out the requirement for ‘Not for EU’ labelling.

NFU Cymru believes that mandatory origin labelling of unprocessed meat should be applied to all unprocessed meat regardless of how it is packed or where it is sold, this includes ‘loose foods’ such as, meat sold in butcher’s shops or at food markets. For example, our members regularly raise concerns that butcher's shops sometimes display Welsh or British meat alongside imported cuts or products without clear country of origin labelling.

Part B: Method of Production Labelling

Question 33 a) Do you agree that method of production labelling should be mandatory?

[Yes / **No** / Don't know]

Question 33 b) Please explain your answer. If you answered no, please detail any alternative approaches that you feel would be effective in delivering informative, consistent and accessible information on method of production to consumers.

NFU Cymru does not support the introduction of mandatory welfare or production method labelling. Method of production is not necessarily an indication of welfare and we believe that any move to introduce a mandatory production or welfare labelling system, would oversimplify a complex area, risk causing confusion for consumers and would carry an unreasonable burden to food and farming businesses.

In the context of the sectors covered by this consultation, marketing standards are already well established in poultry meat and eggs and provides clear information to the consumer in terms of the method in which the product has been produced.

NFU Cymru sees the value in providing consumers with transparent information about the food they eat. However, the limitations of using labelling to convey complex information like animal welfare must be acknowledged. A labelling regime that defines and requires method of production will neither improve consumer information nor will it reward Welsh farmers for higher standards. The science is clear that factors such as stock husbandry, animal health

#WeAreWelshFarming

and professional management of our herds and flocks in Wales have a greater impact on animal welfare. To simplify the issue of animal welfare into a labelling framework that considers production system alone, completely ignores the care, attention to detail and financial investment that Welsh farmers put into ensuring the highest standards of animal welfare are in place on their farms.

NFU Cymru recognises that there is a greater appetite from consumers about the way in which food is produced. Research shows that consumers, when directly asked, would find labelling very helpful on both animal welfare (48%) and sustainability (42%)⁸. However, once in store, welfare is less of a consideration for shoppers compared to other factors. Further studies found 9% of shoppers claimed welfare was a key consideration when purchasing meat, but when at the fixture this dropped to 2%. Key considerations included product appearance (34%), the price (31%) and how easy it is to cook (34%) became more of a priority⁹.

A study¹⁰ by the FSA found that on average for their weekly food shop, UK consumers spend 41 minutes in supermarkets and approximately 38 minutes online. This means that on average, consumers spend only 12 seconds making a purchasing decision and this figure drops to 5 – 10 seconds for online food shopping. The study suggests that as a conservative estimation around 80% of food bought in a weekly shop will be pre-packaged, which means that the consumer would have at most 1 second to process each piece of information on a packet – given that there are around 10 items of information that must be included under various food regulations and this excludes price and other marketing information. Further research¹¹ shows that on average, consumers will take only 41-81 seconds to choose their meat at the point of fixture.

AHDB research¹² found only 35% of consumers actually look at labels in store prior to purchasing. Given most consumers therefore do not look at the label and those that do, spend an incredibly short time doing so, NFU Cymru questions if the label is the right place to try and communicate complex information on welfare and production systems.

Food labelling is not a solution to sub-standard imports and NFU Cymru is clear that food labels are not a remedy for trade policy decisions which disadvantage Welsh farmers. Instead, we urge the UK Government to instead begin the process of enshrining a set of core environmental and animal welfare standards in law for all agri-food imports, setting a minimum threshold in domestic regulation that imports must meet to access the UK market. This would require producers overseas to meet a comparable standard to domestic farmers.

Consumers need clear reassurance that animal welfare has been prioritised and is being scrutinised accordingly. We believe this reassurance is best delivered through independently

⁸ AHDB, 2021. How helpful do you think each of these ideas would be in improving your knowledge and trust in the UK food system? (very helpful)

⁹ https://projectblue.blob.core.windows.net/media/Default/Consumer%20and%20Retail%20Insight%20Images/Reports/ShopperDecisionTree-Meat_1762_181107_WEB.pdf

¹⁰ https://www.food.gov.uk/sites/default/files/media/document/Consumer%20Responses%20to%20Food%20Labelling_1_0.pdf

¹¹ https://projectblue.blob.core.windows.net/media/Default/Consumer%20and%20Retail%20Insight%20Images/Reports/ShopperDecisionTree-Meat_1762_181107_WEB.pdf

¹² AHDB/DJS Secondary Labelling Research – Sept 2016

#WeAreWelshFarming

audited assurance schemes, such as Red Tractor or Farm Assured Welsh Livestock Beef and Lamb Scheme (FAWL). These schemes allow standards to evolve in response to developments in science and can deliver improved welfare outcomes while simplifying consumer choice.

There is an opportunity to ensure marketing terms are standardised to increase consumer transparency around the terms used to market products, for example defining free range dairy, beef and pigs. Labelling should be voluntary and follow compulsory rules when certain terms are used to ensure accuracy and consistency. This approach will allow businesses to be market-led enabling them to unlock the value from these dedicated supply chains and navigate complexities such as the importance of carcass balance and waste management. Further information can be provided online and technology such as QR codes can be used to direct shoppers to where they can find out more. This would enable consumers to access information not just on animal health and welfare, but other areas in which consumers have a legitimate interest, such as environmental, social and economic sustainability.

Question 34 a) Do you agree that any new mandatory method of production labelling should apply to both domestic and imported products?

[Yes / No / Don't know]

Question 34 b) Please explain your answer.

NFU Cymru does not agree with mandatory method of production labelling of domestic product and we question if WTO rules would allow the labelling of imported product, as this may be seen as uncompetitive. We are therefore concerned that should these proposals meet challenge from other WTO members, they would simply become a further labelling requirement for domestic producers and will fail to address the concern relating to imported products.

Across England and Wales we received over a million signatures from consumers wanting to protect our high production standards, however method of production labelling is not the way to meet this consumer demand. The role of labelling must not be overestimated as a tool for changing consumer behaviour.

We urge the UK Government to begin the process of enshrining a set of core environmental and animal welfare standards in law for all agri-food imports, setting a minimum threshold in domestic regulation that imports must meet to access the UK market. This would require producers overseas to meet a comparable standard to domestic farmers.

The examples cited in the consultation response, namely a recent initiative in Germany for labelling husbandry techniques for fresh unprocessed pork that is voluntary for overseas producers to comply with and examples from Switzerland in largely untraded internationally goods (shell eggs and rabbit meat) do not address the issues with WTO compliance. Especially given the Germany example is voluntary and therefore not subject to challenge, whilst the Swiss example relates to low volumes traded and thus third countries have a limited incentive to launch an official challenge.

It is unclear how the labelling proposals comply with the requirements to not create unnecessary barriers to trade. The WTO's TBT agreement strongly encourages members to base their measures on international standards. The proposed tier approach includes standards developed by the UK's Animal Welfare Committee (AWC). Whilst the standards

are largely objectives, there does include some subjective measures for example ensuring that animals have access to “sufficient space” or that a “minimal proportion” of life is spent outdoors. NFU Cymru seeks assurance whether these standards are based on internationally recognised standards.

One proposal put forward is to create a country register to identify where production rules match the UK baseline, allowing FBOs in the UK to over sticker products based on an assessment at country level of production methods to determine whether UK baseline requirements are met (and whether Tier 4 label would be applied). The suggestion is made that ensuring compliance with the regulations would be the responsibility of the FBO. NFU Cymru is therefore concerned that such a list will create an over simplified means of ensuring farm level compliance for overseas product.

Question 35. What changes would your business have to make in order to adopt a mandatory method of production labelling scheme?

Marketing standards are already well established in poultry meat and eggs and provide clear information to the consumer in terms of the method in which the product has been produced. The proposals put forward in this consultation are therefore completely unnecessary.

These proposals will cause significant disruption to poultry processors and egg packers, who would need to provide additional segregation of their processes without any additional value to their business. Anecdotal information from NFU Cymru members tells us that if additional product lines are required, this would require significant capital investment for processors and packers, for no additional income.

Following significant changes in production systems and volatility in the sector poultry producers need certainty and support. We fear further changes in the sector may knock producer confidence further.

NFU carried out a poultry intentions survey in November 2023¹³, the survey found that a quarter (24%) of egg producers and 15% of broiler producers were either unlikely or unsure if they would still be producing poultry beyond November 2025. The main reason cited for this was insufficient returns.

Both the egg and poultry meat sectors are holding back on investing in their businesses, according to the survey. The work found that a third (31%) of broiler producers had no plans to invest in their business during the next two years, while 29% of laying hen producers had not invested for the past two years and 33% had no plans to invest going forward.

Recently there have been moves by Sainsburys, Morrisons, Co-op and Lidl to reduce stocking densities of their fresh chicken down from 38kg to 30kg/ square metre. To meet this demand the broiler sector, needs to invest in additional floor space to produce these birds. Gaining planning permission and environmental permits are key challenges for the sector and could lead to an increase in imports to meet consumer demand for chicken.

The egg sector has seen significant changes since the banning of battery cages in 2012. Despite the fact in Wales, at least 90% of our national flock is free range, these proposals would still impose additional cost for Welsh egg producers with little return. The British Lion Code and other assurance schemes such as the RSPCA Assured Scheme, clearly define the industry standards required.

#WeAreWelshFarming

We do not believe that the proposed labelling framework will change consumer behaviour as welfare is not a key driver of purchase and consumers will continue to buy on price¹³. The poultry sector has seen some big changes in both poultry meat and the laying hen sectors, these changes are communicated to the consumer through well established and understood labelling. The mandatory egg marketing standards and Red Tractor Assurance Scheme have developed an enhanced welfare module for the reduction in stocking density.

NFU Cymru has not provided feedback for questions 36 – 91 with regards to the proposed implementation period, design of labels or scope of the regulation as we fundamentally and profoundly disagree with the proposal to introduce method of production labelling. If Welsh Government, Defra and other administrations decide to proceed with their proposals to introduce a method of production labelling system, then significant further engagement would be necessary with the food and farming sector.

¹³ <https://ahdb.org.uk/knowledge-library/consumer-insights-optimising-red-meat-labelling>

#WeAreWelshFarming

Annex 1

Lamb shank:
 “Made using
 British and New
 Zealand lamb”



Annex 2 - Concerns over the use of national flags

a) The New Zealand flag used as part of the packaging design



#WeAreWelshFarming



b) 'Made in Britain' claim



#WeAreWelshFarming

<p>c) British shelf edge labelling with New Zealand product on-shelf</p>	
<p>d) British marketing material with South African grapes below.</p>	

#WeAreWelshFarming

Although every effort has been made to ensure accuracy, neither the NFU nor the author can accept liability for errors and or omissions. © NFU Department Name/NFU Consultation Response/April '19/draft



NFU SUPPORTED BY
NFU Mutual