

# Joint (Industry/Government) Working Group on Animal Disease Cost Sharing

## Policy background to cost sharing for animal disease

1. The Government started to review policy for financing the costs of exotic animal disease outbreaks in autumn 2000 when it set up a working party<sup>1</sup> following an outbreak of classical swine fever in East Anglia.
2. This work was suspended because of the FMD outbreak in 2001.
3. In January 2002, the Curry Commission<sup>2</sup> recommended that *“Defra, with the Treasury, should lead a group on disease insurance with the industry and insurers. The working group convened in the aftermath of Classical Swine Fever should be reformed for this purpose”*.
4. A Defra working group was established in January 2002, with representatives from the livestock and insurance industries to consider how animal disease outbreaks could be financed. This work resulted in further reflection within Government. The establishment of the Working Group as announced in the *‘Partners for Success – Farm Regulation and Charging Strategy’*, follows on from that reflection.

## Recent disease events and reports

**1983 - 1989 Aujeszky's disease** - Since 1983 (to 1989) some 400,000 pigs have been slaughtered in the control of Aujeszky's disease. The last confirmed cases were five cases in 1989, when 1,373 animals were slaughtered, of which 1,029 were salvaged.

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<sup>1</sup> Joint MAFF/industry working party to review the commercial impact of animal disease controls. 8 December 2000. [[www.defra.gov.uk/animalh/diseases/impact.htm](http://www.defra.gov.uk/animalh/diseases/impact.htm)]

<sup>2</sup> Policy Commission on the Future of Farming and Food: Farming and Food – a sustainable future. January 2002

**2000 Classical swine fever (CSF)** - A more serious outbreak in East Anglia in 2000 affected 16 farms. A total of 74,793 pigs including those on contact farms were slaughtered to eradicate the disease. The cause of this outbreak was not established with certainty but was most likely the result of pigs eating a contaminated imported pork product.

**2001 Foot and Mouth Disease Outbreak** The UK last experienced the disease in 2001 when 2,030 cases occurred between February and September.

**January 2002 - The Policy Commission Report** on the Future of Farming and Food (August 2001 to 29 January 2002) - Sir Donald Curry's report provided a vision on how to create a sustainable, competitive and diverse farming and food sector within a thriving rural economy which advances environmental, health, and animal welfare goals. The Strategy for Sustainable Farming and Food articulates the vision and guides Government in its future policy making affecting rural areas.

**September 2002 - Dr Iain Anderson's Lessons Learned Inquiry into the 2001 outbreak of FMD.** Following the 2001 epidemic, a great deal of consideration has been given to disease control strategy in the event of a future outbreak. Two reports into the 2001 outbreak – "Lessons to be Learned" and the Royal Society's "Infectious Diseases in Livestock" were published in July 2002 and, since that time, Defra has been working towards implementing many of their recommendations.

**September 2002** - The Royal Society's scientific review of Infectious diseases in livestock – Review of the FMD outbreak by Professor Sir Brian Follett.

**Working Group for Animal Disease Insurance** established. The Lessons Learned Inquiry recommended that the scope of the joint Defra Industry Working Group for Animal Disease Insurance be wide enough to address valuation and compensation issues highlighted by the 2001 outbreak.

**November 2002 – ‘HM Government with the Welsh Assembly Government Response to the Reports of the Foot and Mouth Disease Inquiries’** tabled in Parliament

**December 2002** – the EC published a new Directive on measures to control FMD.

**December 2002 - The Strategy for Sustainable Farming and Food** – Government response to the Policy Commission Report on the Future of Farming and Food

**June 2004 – Animal Health and Welfare Strategy** - Understanding the costs and benefits of any Government decision is essential for intervention to be implemented effectively. A clearer understanding of the costs and benefits of Government Intervention is only one part of this strategic outcome.

**February 2005 - National Audit Office’s Report - Foot and Mouth Disease: Applying the Lessons** – The National Audit Office examined the Defra response to the Public Accounts Committee in May 2003 and the progress made since then. The report summarised the NAO findings on the Department’s preparations for a future outbreak.

**November 2005 - The Public Accounts Committee** – Continuing evaluation of the implementation of remedial initiatives by Defra and the industry. Recent announcement November 2005.

**November 2005 - Farm Regulation and Charging Strategy** – 28 November 2005 announced the formation of a joint working group to take forward the issue of risk sharing between government and industry.