

# Joint (Industry/Government) Working Group on Sharing Responsibility and Costs of Animal Disease

## Key Issues

1. **ACTION:** In taking forward the cost sharing dossier the Group is invited to agree the key issues.

2. This paper identifies some of the key issues that the Working Group may consider.

**A. Possible arrangements for sharing risks and responsibilities for exotic animal disease outbreaks:**

*a. International models*

*b. English context*

*c. Involvement of Devolved Administrations*

*d. EC initiatives*

2. Different models of cost sharing have been established in certain other countries.

3. Livestock production industries in some European countries, such as Netherlands, France and Germany, contribute to the cost of dealing with disease outbreaks. The funds obtained from producers, through levies, are used to pay for disease clean up and compensation. Funds are also allocated to surveillance and monitoring and biosecurity planning on an ongoing basis.

4. The institutional arrangements in those countries, however, are somewhat different to the make-up and organisation of livestock industries in England. To this extent a model suited to England should be developed. The approach in England will also need to take into account a wide ranging consultation with relevant stakeholders.

5. Schemes in Scotland, Wales and Northern Ireland could incorporate variations that are tailored to their specific circumstances.

6. The European Commission is currently reviewing the existing Community animal health policy instruments with a view to putting in place a revised policy for the period 2007-2013.

7. Effective implementation of any new arrangements can only be achieved if all parties work together and accept their respective roles and responsibilities in delivering the vision, as set out in the Animal Health and Welfare Strategy. Successful collaboration should be underpinned by principles that ensure that all those involved contribute to and benefit from the partnership.

8. In considering any arrangements it is recognised that costs going beyond those incurred solely for the reasons of disease control can arise as a result of wider public policy objectives.

**B. Which diseases should be covered?**

8. This is an issue that must be determined at an early stage by the working group with the assistance of veterinary experts.

9. The diseases currently listed within the *Animal Health Act of 1981*, for which Ministers have the authority to order the slaughter of animals and provide compensation, are:

- I. Cattle plague (s31)
- II. Pleuro-pneumonia (s31)
- III. Foot and mouth disease (s31)
- IV. Swine fever (s31)
- V. Diseases of poultry (s31) – Newcastle Disease (s88), fowl plague (s88), fowl cholera (s88), infectious bronchitis (s88), infectious laryngo-tracheitis (s88), pullorum disease (s88), fowl typhoid (s88), fowl pox (s88) and fowl paralysis (s88).
- VI. Sheep-pox (s88)
- VII. Sheep scab (s88)
- VIII. Scrapie (*Animal Health Act 2002* Schedule, Part 2A)
- IX. *Animal Health Act 2002 - "SCHEDULE 2A - SPECIFIED DISEASES*
  - a. *Foot-and-mouth disease*
  - b. *Swine vesicular disease*
  - c. *Peste des petits ruminants*
  - d. *Lumpy skin disease*
  - e. *Bluetongue*
  - f. *African horse sickness*
  - g. *Classical swine fever*
  - h. *Newcastle disease*
  - i. *Vesicular stomatitis*
  - j. *Rinderpest*

- k. *Contagious bovine pleuropneumonia*
- l. *Rift Valley fever*
- m. *Sheep pox and goat pox*
- n. *African swine fever*
- o. *Highly pathogenic avian influenza."*

10. The *Animal Health Act 1981*, as amended, reflects most of the diseases that are included in the former List A of the World Organisation for Animal Health, The Office International des Epizooties (OIE) notifiable diseases. For the purposes of illustration and information Lists A and B are provided at Appendix 1. Section 32 of the *Animal Health Act 1981*, as amended, also provides authority for the Secretary of State to declare other diseases, including bovine Tuberculosis, for the purposes of the Act.

11. Endemic disease in England may be an issue that the group wishes to investigate to the extent that it identifies current funding arrangements and takes into account future funding responsibilities and options.

**C. *Balancing of Risk Ownership - including border control***

12. The issue of risk creation/ownership are matters that the Working Group would consider in the context of the overall financing arrangements.

13. The Government is committed to playing its role in providing effective biosecurity controls within the UK and at its borders and working for the prevention and control of preventable disease. However, risk reduction can be further developed by shared ownership of responsibility for disease prevention, through greater understanding of the costs of disease and the financial benefits of prevention. To achieve this, closer working partnerships between government and industry have been set up to encourage wider use of farm health planning as a tool to prevent disease spread and to control common disease problems in a practical and cost effective way. These partnerships are demonstrating that, by better managing disease risks, livestock keepers can reap financial benefits as well as reducing the need for regulation. This kind of approach is essential to delivering the 'prevention is better than cure' theme of the Animal Health and Welfare Strategy (2004).

14. All those with an interest in animal health and welfare must have a good understanding and acceptance of roles and responsibilities. Ultimately, farm level risk can only be managed down through the actions of animal

owners. They need to consider whether they have the means, skills and knowledge to accept the responsibility that being an animal owner entails.

15. Animal owners have a responsibility to understand and meet the health and welfare needs of their animals. In the livestock sector the prevention of disease not only improves the welfare of the animals, but can also provide economic benefits.

16. It will be important to ensure that the necessary incentives and sanctions are in place to maintain and improve animal health and welfare standards and they must be delivered appropriately.

**D. Possible options for financing the costs of disease outbreaks:**

**a. Bank Guarantee**

**b. Disease Levy, (either through a  
'War chest' arrangement or retrospective levy)**

**c. Insurance**

**d. self insurance**

**Combinations of a-d**

17. There are several international models that share the costs of dealing with animal disease across the farming community. These arrangements vary on the degree to which they 'engage' their livestock industry to meet a proportion of the cost of 'cleaning up' [containing, eradicating, cleansing and disinfecting] an animal disease outbreak and rehabilitating the industry, through compensation.

18. In terms of developing a contributive approach to the costs of animal disease in England, it is envisaged that we may require a more complex solution which takes account of the following:

- . European Community state aid rules;
- . European Community reforms and regulations;
- . European Community SPS mutual recognition agreements;
- . Current UK compensation arrangements;
- . disparate farming groups and structures;
- . management of disease vectors;
- . varied licensing requirements between regions;
- . Devolution.

19. Against this background, therefore, it may be helpful to examine in more detail systems operating in other countries including Member States of

Europe. This is covered in the paper entitled "Cost Sharing Models in other Countries" (Doc JIGWG 06).

20. In considering and determining the balance of the share of risks and responsibilities for animal disease, it will be necessary to reflect the importance of the roles of disease prevention and surveillance. There should be incentives for livestock farmers to undertake and adopt increased levels of biosecurity as well as better animal health and welfare practices.

**E. Costs and compensation**

21. Outbreaks of animal diseases give rise to different costs:

- compensation for compulsory slaughter;
- disease control (including slaughter, disposal, haulage, veterinary costs, serology, vaccination, cleansing and disinfection and administrative costs etc
- welfare disposal; and,
- consequential losses.

22. In principle any new arrangements could cover certain costs related to:

- The cost of compensation for compulsory slaughter
- The cost of disease control
- The cost of welfare disposal.

**F. Economic analysis of impact of cost sharing on different livestock sectors**

23. As announced in the '*Partners for Success - A farm regulation and charging strategy*', the Government has been working to develop a better understanding of the cumulative impact of planned regulation and charges.

24. Any new financing arrangements considered or agreed by the group will need to be analysed in the context of the overall impact on the relevant sectors.

25. This analysis should include the burden on farmers and the capacity for the sector to participate in the arrangements in the longer term.

**G. Communication with stakeholders**

26. This will be an important element of any strategy. The key messages must be articulated in a structured and balanced way to ensure support from

the commercial livestock production sector and the food chain generally. See also the JIGWG Paper on Communications (JIGWG 09).

**H. European Community Dimension**

27. The European Commission is currently reviewing the existing Community animal health policy instruments with a view to putting in place a revised policy for the period 2007-2013.

28. The Commission's review is working to the following timetable:

- **June 2005** - Offer from the contractor on basis of the request for services (Term of Reference)
- **November 2005** – Inception report describing the proposed methodology (closing of the structuring phase)
- **February 2006** - Interim report detailing the progress of the work
- **May 2006** – Draft Final report from the contractor, for consideration by the Steering Group
- **July 2006** – Final report
- **October - November 2006** – Presentation of the report to the stakeholders.

**I. Conclusion**

29. A new partnership between Government and industry that secures long-term improvements in animal health and welfare will help bring wide benefits. The focus on the ownership and balance of the roles, responsibilities and costs associated with keeping farm animals should help stimulate the collaborative Government/industry drive to improve standards.

**JIGWG Secretariat**

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## APPENDIX 1

## Old Classification of Diseases Notifiable to the OIE

[List A]/[List B]▶ **List A**

Transmissible diseases that have the potential for very serious and rapid spread, irrespective of national borders, that are of serious socio-economic or public health consequence and that are of major importance in the international trade of animals and animal products.

- Foot and mouth disease
- Swine vesicular disease
- Peste des petits ruminants
- Lumpy skin disease
- Bluetongue
- African horse sickness
- Classical swine fever
- Newcastle disease
- Vesicular stomatitis
- Rinderpest
- Contagious bovine pleuropneumonia
- Rift Valley fever
- Sheep pox and goat pox
- African swine fever
- Highly pathogenic avian influenza

▶ **List B**

Transmissible diseases that are considered to be of socio-economic and/or public health importance within countries and that are significant in the international trade of animals and animal products.

**Multiple species diseases**

- Anthrax
- Aujeszky's disease
- Echinococcosis/hydatidosis
- Heartwater
- Leptospirosis
- New world screwworm (*Cochliomyia hominivorax*)
- Old world screwworm (*Chrysomya bezziana*)
- Paratuberculosis
- Q fever
- Rabies
- Trichinellosis

**Cattle diseases**

- Bovine anaplasmosis
- Bovine babesiosis
- Bovine brucellosis
- Bovine cysticercosis
- Bovine campylobacteriosis genital
- Bovine encephalopathy spongiform
- Bovine tuberculosis
- Dermatophilosis
- Enzootic bovine leukosis
- Haemorrhagic septicaemia
- Infectious bovine rhinotracheitis/infectious pustular vulvovaginitis
- Malignant catarrhal fever
- Theileriosis
- Trichomonosis
- Trypanosomosis (tsetse-transmitted)

### Sheep and goat diseases

- Caprine and ovine brucellosis (excluding *B. ovis*)
- Caprine arthritis/encephalitis
- Contagious agalactia
- Contagious caprine pleuropneumonia
- Enzootic abortion of ewes (ovine chlamydiosis)
- Maedi-visna
- Nairobi sheep disease
- Ovine epididymitis (*Brucella ovis*)
- Ovine pulmonary adenomatosis
- Salmonellosis (*S. abortusovis*)
- Scrapie

### Equine diseases

- Contagious equine metritis
- Dourine
- Epizootic lymphangitis
- Equine encephalomyelitis (Eastern and Western)
- Equine infectious anaemia
- Equine influenza
- Equine piroplasmosis
- Equine rhinopneumonitis
- Equine viral arteritis
- Glanders
- Horse mange
- Horse pox
- Japanese encephalitis
- Surra (*Trypanosoma evansi*)
- Venezuelan equine encephalomyelitis

### Swine diseases

- Atrophic rhinitis of swine
- Enterovirus encephalomyelitis
- Porcine brucellosis
- Porcine cysticercosis
- Porcine reproductive and respiratory syndrome
- Transmissible gastroenteritis

### Avian diseases

- Avian chlamydiosis
- Avian infectious bronchitis
- Avian infectious laryngotracheitis
- Avian mycoplasmosis (*M. gallisepticum*)
- Avian tuberculosis
- Duck virus enteritis
- Duck virus hepatitis
- Fowl cholera
- Fowl pox
- Fowl typhoid
- Infectious bursal disease (Gumboro disease)
- Marek's disease
- Pullorum disease

### Lagomorph diseases

- Myxomatosis
- Rabbit haemorrhagic disease
- Tularemia

### Bee diseases

- Acariosis of bees
- American foulbrood
- European foulbrood
- Nosemosis of bees
- Varroosis

### Fish diseases

- Epizootic haematopoietic necrosis
- Infectious haematopoietic necrosis
- *Oncorhynchus masou* virus disease
- Spring viraemia of carp

### Mollusc diseases

- Bonamiosis (*Bonamia exitiosus*, *B. ostreae*, *Mikrocytos roughleyi*)
- Marteilliosis (*Marteilia refringens*, *M. sydneyi*)
- Mikrocytosis (*Mikrocytos*)

- Viral haemorrhagic septicaemia

- mackini*)
- MSX disease (*Haplosporidium nelsoni*)
- Perkinsosis (*Perkinsus marinus*, *P. olseni/atlanticus*)

**Crustacean diseases**

- Taura syndrome
- White spot disease
- Yellowhead disease

**Other List B diseases**

- Leishmaniosis

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