

THIRD MEETING OF THE JOINT (INDUSTRY/GOVERNMENT) WORKING GROUP ON SHARING RESPONSIBILITIES AND COSTS OF ANIMAL DISEASE: 16 FEBRUARY 2006 – THE FARMERS CLUB LONDON

Present

Members

Sonia Phippard	Joint Chair	Peter Bradnock	BPC
Stewart Houston	Joint Chair	Andrew Joret	BEIC
David Dawson	Defra	Nafees Meah	Defra
Kevin Pearce	NFU	Robert Robinson	NBA
Freda Scott-Park	BVA	Peter Morris	NSA
Richard Bennett	EIG		

Secretariat

Roger Walsh	Defra	Paul Skelton-Stroud	Defra
Steve Chamberlain	Defra	Eden Hannam	Defra
Justin Lamprecht	Defra		

Guests

Peter Grimley	Defra	Mirzet Sabirovic	Defra
Teresa Mills	Defra	Pamela Rogers	HMRC

Observer

David Pirnie	Rocket Science Ltd
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Agenda Item 1: Welcome and introductions

1. Apologies were received from Mark Williams (BEIC), Peter Dawson (Dairy UK) and Tom Hind (NFU).
2. Sonia Phippard welcomed members and guests to the third meeting. As Andrew Joret was attending in place of Mark Williams there was a *tour de table* of individual introductions.
3. The minutes of the second meeting (Doc JIGWG 20) had been circulated previously. It was noted that paragraph 10 should be re-drafted to reflect the fact that a disease levy was effectively the only option following the work of the former Insurance Industry Working Group and that the details of a levy scheme had not been discussed.
4. The Terms of Reference (Doc JIGWG 07 rev 2 Feb06) were agreed and could now be put on the Defra website dedicated to the work of the Group as well as industry organisation websites and/or other communication vehicles.
5. The stakeholder list (Doc JIGWG 10 rev 1 Jan06) and Group Contact details (Doc JIGWG 12 rev 1 Jan06) had both been circulated previously.

6. Doc JIGWG 28 had been circulated previously in response to a request for more information on what costs had been included in the modelling results of the Cost Benefit Analysis of Foot-and-Mouth Disease Controls.

Action(i) Secretariat to:

(a) revise the minutes and develop the internet website and
(b) put online the Terms of Reference, the agreed minutes (first and second meetings) as well as an overview of the background to the Group.

(ii) Comments or amendments by Members on the stakeholder list to be submitted to the Secretariat.

Agenda Item 2: Keeping out Exotic Disease: Joint HMRC/Defra presentation on current risk based border controls

7. Peter Grimley (International Animal Health – Imports Policy) explained the controls on imports of live animals and animal products. Both intra-Community and third country trade arrangements were covered. The Community had a network of 300 Border Inspection Posts (30 within the UK). The World Organisation for Animal Health (OIE) and the World Trade Organisation's Sanitary and Phyto-sanitary Agreements were important elements in the arrangements. Work was underway on the risks posed by illegal trade and the Department was raising awareness through posters, leaflets and TV advertising.

8. Mirzet Sabirovic (International Animal Health) explained the Department's work on international animal disease monitoring and qualitative risk assessments. Various sources of information were used to understand and quantify the risk of exotic animal disease to the UK. Detailed processes existed designed to inform on the potential risks. Where possible the information used to produce reports was updated at least daily. Decisions on responses to international disease threats were based on science and fact.

9. Pamela Rogers (HMRC) delivered a presentation on anti-smuggling controls on animal products. Disease risks management used a cross-government UK approach based upon risk assessments and intelligence gathering. The resources available to HMRC for its work could be deployed quickly to points of perceived threat. HMRC was also responsible for enforcing the Convention on International Trade in Endangered Species.

10. HMRC activities were always targeted using information from various sources: Defra, OIE, EC alerts, and risk routes based on previous intelligence. Seizure rates were high and rising with 86 per cent being made from high-risk countries. Some 217,000 kilogrammes were seized in 2004/05. Meat accounted for 36.5 per cent of all seizures during the period April 2003 to March 2005. Evidence suggested that there were no organised smuggling gangs, rather that family members travelling to the UK were responsible for most infringements. All seizures were destroyed. In severe cases

prosecutions were likely bearing in mind the factors of proportionality and the public interest.

11. Recent increased activities for AI included enhanced controls on all H5N1 countries including the intensification of publicity campaigns.

12. In discussion around the Group the following points emerged:

(a) risk assessments and risk calculation provided the basis for responses. These assessments were updated regularly, providing reassurance that the system could cope with impending disease situations. Latent diseases could be a problem and this was where border controls provided additional risk protection;

(b) the high number of Border Inspection Posts across the EU and their relationship to UK operating standards. All posts were subject to a common Community audit regime.

(c) HMRC were still looking into the possibility of using on-the-spot fines although there were potential conflicts with Human Rights legislation. One way forward could be to charge for the cost of disposal;

(d) concerns were raised about the effectiveness of the publicity campaigns as anecdotal experience suggested that passengers could enter the UK without seeing any appropriate publicity;

(e) the Department of Transport reminded airlines of their responsibilities under the EC Directive that required airlines to show customs information before landing from a third country;

(f) samples of seized products could be sent to the Veterinary Laboratory Agency for analysis to help the targeted approach. DNA finger-printing was used in the cases of suspected CITES infringements and

(g) the need to involve industry in the entirety of border control policy and operation to help improve understanding of the risks, responsibilities as well as the available resources.

Action: Secretariat to circulate to Group members:

- (i) copies of the presentations electronically,
- (ii) the EC Directive covering airlines, and;
- (iii) the National Audit Office Report on HMRC Border Control.

Agenda Item 3: Cost sharing for exotic disease – Some thoughts: a discussion paper (Doc JIGWG 26)

13. In his paper Richard Bennett presented an overview of the principles behind the sharing of responsibilities and costs of animal disease. This identified how costs could be classified; what the balance of these might be; ethical considerations; avoidance of a blame culture; disease categorisation.

14. In a brief general discussion, a number of ongoing themes surfaced. These centred around on-farm biosecurity and issues of affordability, the use of incentives, behaviour change and cost recovery mechanisms. Many of these themes were more fully explored in the group discussions.

Agenda Item 4: Characteristics of an English exotic animal disease cost sharing agreement (Doc JIGWG 23)

15. A presentation by Nafees Meah focussed on the characteristics of a possible English arrangement for sharing the costs and responsibilities of livestock disease. As part of the presentation an un-numbered document was tabled posing questions arising from the possible characteristics outlined.

16. In discussion the principal points included the following:

(a) the Group was considering the English perspective, but there could be pressure from the EC as it developed its policies;

(b) Livestock keepers in England could be disadvantaged compared to others if Devolved Administrations failed to follow an equivalent type scheme.

(c) While Devolved Administrations were committed to the principle of sharing responsibilities and costs of animal disease, there was an issue concerning their involvement in the work of the Group. Consultation could join up on a UK basis, but this needed to be worked through at an early stage;

(d) Whether consequential losses would be covered by an agreement – direct costs would be included following an agreement of a fair share. It was agreed that the consideration of consequential losses within any eventual arrangement was not precluded.

17. At this point, the Working Group broke into two groups to discuss the previous two presentations. On the specific questions (un-numbered document), some common views emerged following discussion. These views and the questions would be recorded in a paper for the next meeting of the Working Group.

Action: Secretariat to prepare a paper covering the features discussed for the next meeting (Doc.JIGWG 32).

Agenda Item 5: Exotic diseases for inclusion in a cost sharing agreement and principles of disease categorisation (Doc JIGWG 24)

18. Roger Walsh introduced (Doc JIGWG 24) listing animal diseases for possible inclusion in any eventual agreement as well as the models used for categorisation of disease in the Australian and New Zealand arrangements. The exotic diseases in the list were those for which there was a statutory requirement for compensation.

19. A number of detailed issues arose in discussion around the table. The principal points included the following:

- (a) there was a need for additional information about the diseases outlined in the list but it was not definitive and there could be amendments;
- (b) the importance of going back to first principles to build a system rather than importing a system from Australia or New Zealand and
- (c) taking account of any sector specific issues the possibility of forming a sub-group to consider disease coverage, criteria and categories.

Action: For the next meeting the Secretariat to provide information on each disease listed.

Agenda Item 6: April Stakeholder Workshop – Programme outline and participants (Doc JIGWG 21)

20. Sonia Phippard said that the Secretariat had produced a shortened list (Doc JIGWG 21) of the Stakeholders to invite to the 4 April Workshop.

21. David Pirnie explained (with PowerPoint presentation - hard copies tabled) the proposed format of the Workshop. A number of detailed issues arose in discussion. The main points included the following:

- (a) that a border control presentation (Agenda Item 2) would be well received by participants;
- (b) in recognising that the work of the Group needed wide publicity it was felt that the stakeholder list should be amended to secure a greater emphasis on representatives of primary producers – those on the list with a more marginal interest should not attend at the expense of core representatives;
- (c) it was felt that the tabled workshop programme was overly ambitious. A more gradual approach reflecting the wide variety of information presented to the Group would be better received and likely to achieve good participation. The theme of ‘sharing responsibility’ would need continual reinforcement so as to reassure livestock keepers and help avoid feelings of victimisation.

Action: Secretariat/David Pirnie to

- (i) produce an updated Workshop programme, and;
- (ii) Secretariat to review and adjust list of invitees.

Agenda Item 7: Paper for Information: State Aid Rules and Animal Disease (Doc JIGWG 25)

23. Sonia Phippard introduced the information paper on State Aid rules. This area of the work of the European Commission was under constant review. Recently a review of the Block Exemption Rules had been announced. The Group would be kept informed of any future progress.

24. The enduring theme in discussion related to cost recovery mechanisms, such as a levy, the relationship between this mechanism and Community instruments (such as the EC Vet Fund, the UK agricultural rebate and the State Aids issue).

Action: Secretariat to provide a paper on the interaction of the EC Veterinary Fund and levies that may be collected from industry.

Agenda Item 8: Any Other Business

25. Sonia Phippard confirmed that the date of the next meeting had been changed to 16 March so that members would be able to attend the AHWS Conference and the European Commission Workshop for the Harmonisation of Cost Sharing Schemes in Brussels, both on 17 March 2006.

26. It was suggested that the meeting scheduled for 26 May should be changed because of its proximity to the Bank holiday.

27. It was agreed that for future meetings a cover note would list all the papers circulated previously or tabled on the day for the meeting.

Action: Secretariat to:
(i) circulate the venue of the 16 March meeting,
(ii) for future meetings to list all documents for discussion/information and
(iii) to canvass for suitable days for the May meeting.

Summary

28. A very useful meeting with a significant number of issues discussed and explored.

**JIGWG SECRETARIAT
February 2006**