

# **Regulatory Impact Assessment**

## **Relaxation of Brucellosis Pre-Movement Testing Controls**

**October 2014**

## **1. Title of Proposal**

- 1.1 Proposed Relaxation of Brucellosis Pre-Movement Testing Controls.

## **2. Purpose and intended effect of measure**

### **(i) Objective**

- 2.1 The Department of Agriculture and Rural Development (DARD) has considered proposals to relax brucellosis pre-movement testing controls for internal cattle movements in the north of Ireland.
- 2.2 The proposal to relax current pre-movement testing controls applies only to cattle movements internal to the north. The requirements of the European Council Directive 64/432/EEC ("the Council Directive") relating to export to other Member States will continue to necessitate the pre-movement test to be conducted within 30 days of export. This will also remain the requirement for export of cattle to Britain.

### **(ii) Background**

- 2.3 Brucellosis has significant public health and economic consequences and, therefore, the shared vision of DARD and the farming industry is for its reduction and ultimate eradication.
- 2.4 In line with the Council Directive, if we have a three year period without a confirmed outbreak of brucellosis, we can apply to the European Commission to be awarded Officially Brucellosis Free (OBF) status. We also have to meet the Directive requirement to have 99.8% of herds to be OBF each year for 5 consecutive years. Obtaining OBF status from the European Commission is viewed as a realistic prospect following submission of an application in March 2015 provided we have no further confirmed outbreaks.

- 2.5 Since there have not been any confirmed cases of brucellosis since 28 February 2012, it is now prudent to review our current Brucellosis Eradication Programme (BEP) as we work towards achieving OBF status.
- 2.6 One significant element of the BEP that can be reviewed at this stage is pre-movement testing for internal cattle controls in the north of Ireland. Pre-movement testing for brucellosis was introduced for cattle herds here on 1 December 2004. The Brucellosis Control Order (NI) 2004 (as amended) states that all cattle over 12 months (with the exception of steers) must be tested within 30 days of movement to another herd, market, show or exhibition.
- 2.7 Pre-movement testing is a requirement under the Council Directive where brucellosis herd breakdowns have exceeded 0.2% of herds in the previous 2 years. However, the Council Directive provides discretion to Member States or regions when: (a) the percentage of bovine herds infected with brucellosis has not exceeded 0.2% for at least two years; (b) where the animal comes from an officially brucellosis-free herd within that Member State or region; and (c) has not during transportation come into contact with bovine animals of lesser status.
- 2.8 Farmers are responsible for the cost of a pre-movement test sample collection by a person approved by DARD, while DARD meets the cost of laboratory testing the samples. However, if a herd has been tested by DARD as a routine herd test, the results may be used to meet pre-movement testing compliance for animals moved within 30 days.

### **(iii) Risk assessment**

- 2.9 It is important that DARD maintains risk-based and proportionate surveillance measures to detect disease early. According to the Council Directive, pre-movement testing need not be required when the percentage of bovine herds infected with brucellosis has not exceeded 0.2% for at least two years. While the level of confirmed disease fell below this level in late 2008, a significant upturn in late 2009/2010 postponed serious consideration of any pre-movement testing reduction.
- 2.10 However, since January 2011 there has been a sustained reduction in disease and the confirmed incidence rate is now zero. It is therefore now appropriate to consider whether any risk-based and proportionate modifications can be made to our existing pre-movement testing controls.
- 2.11 As we move towards achieving OBF status it is still important to ensure that our disease controls are robust yet proportionate. The impact of any future brucellosis breakdown would be high because even an isolated and confined confirmed outbreak would re-set the three-year clock (no confirmed cases) in making the case to the European Commission for seeking OBF status. An outbreak with significant lateral spread could also re-set the five-year clock (99.8% herds to be OBF). The total financial consequences would approximate to £8-10 million testing costs for each year's delay, plus an estimated £7 million per year in compliance costs to farmers.

### **3. Options**

- 3.1 The main options considered are:

Option 1: No change to current brucellosis pre-movement testing controls

- 3.2 The current brucellosis pre-movement testing controls as per the Brucellosis Control Order (NI) 2004 (as amended) continue to apply. All animals over 12 months (with the exception of steers) must continue to be tested within 30 days of movement to another herd, market, show or exhibition.

Option 2: Introduce a phased relaxation of brucellosis pre-movement test controls and further consider a phased approach through to possible abolition once OBF status is obtained.

- 3.3 This is the preferred option as there has not been an outbreak of brucellosis since 28 February 2012. DARD, as informed by a veterinary risk assessment, has concluded that it is now appropriate to adjust the pre-movement testing controls by:
- increasing the age threshold from 12 to 24 months;
  - extending the movement window from 30 to 60 days; and,
  - not prematurely abolishing pre-movement testing at this stage.

However, once we obtain OBF status, we should continue to consider further relaxing of our pre-movement testing controls in a phased approach through to possible abolition.

- 3.4 Any adjustment to the current pre-movement testing rules will require an amendment to the Brucellosis Control Order (NI) 2004 (as amended). This change will relate to internal animal movements within the north of Ireland only. Testing requirements for export to Britain and other Member States will remain unchanged. If, after OBF status has been attained, it is considered appropriate to further relax or abolish pre-movement testing, a further legislative amendment will be required.

Option 3: Abolish pre-movement testing controls

- 3.5 Bring forward an amendment to the Brucellosis Control Order (NI) 2004 (as amended) to abolish pre-movement testing for brucellosis here. This change would relate to internal animal movements within the north of Ireland only. Testing requirements for export arrangements to Britain and other Member States would remain unchanged.

**4. Benefits**

Option 1: No change to current brucellosis pre-movement testing controls

- 4.1 Maintaining existing pre-movement testing controls as outlined in the Brucellosis Control Order (NI) 2004, as amended, would provide the greatest degree of disease control assurance.

Option 2: Introduce a phased relaxation of brucellosis pre-movement test controls and further consider a phased approach through to possible abolition once OBF status is obtained.

- 4.2 This option would provide a reduced financial and regulatory burden on the farming industry while still providing a proportionate level of disease control assurance.
- 4.3 Since pre-movement testing was introduced on 1 December 2004, approximately 40% of all pre-movement tests have been conducted on animals aged between 12 and 24 months. If a 40% reduction is applied to the 50,054 grouped tests in 2013, it is estimated that some 20,022 fewer tests would be undertaken in 2014. This could result in a saving to the farming industry as a whole of some £720,000.

- 4.4 In addition, a study of data from 2012 indicates that approximately 12,000 animals required a second pre-movement test between 30 and 60 days. This equates to approximately 3,306 grouped tests which would result in an additional saving to the farming industry of some £109,000. It should be noted that any pre-movement test will only remain valid for one move within that 60 day period, and that any animal that is moved twice will still require a second pre-movement test.
- 4.5 In summary the reduced cost to the farming industry of extending the validity period to 60 days, and by extending the age threshold to 24 months, should result in an estimated saving to the farming industry of some £830,000 per annum (see Rows 2 and 3 in **Annex A**). Once OBF status is obtained, and should DARD decide to progressively relax our pre-movement testing controls through to abolition, this saving could increase to some £1.8 million per year (Row 4 of **Annex A**).
- 4.6 There would also be an estimated saving to DARD of some £35,000 per annum as a result of similar levels of reduced laboratory testing (see Rows 2 and 3 of **Annex A**). Once OBF status is obtained, and should DARD decide to progressively relax our pre-movement testing controls through to abolition, this saving could increase to some £70,000 per year (Row 4 of **Annex A**).

*Option 3: Abolish pre-movement testing controls*

- 4.7 Option 3 would result in the requirements for pre-movement testing here to be abolished. Whilst this would provide the greatest financial saving for the farming industry in terms of pre-movement testing, it would be the option that would carry the greatest risk in terms of animal disease control.
- 4.8 By abolishing pre-movement testing controls, it is estimated that the annual savings to farmers in the north could be in the region of some £1.8 million (see information in Row 4 in **Annex A**).

- 4.9 It is anticipated that the saving to DARD as a result of abolishing pre-movement testing controls would be some £70,000 per annum (see Row 4 of **Annex A**).

## **5. Business Areas Affected**

- 5.1 Proposals to relax pre-movement testing controls have the potential to bring positive benefits to all cattle herdkeepers here. It will reduce the regulatory burden on the farming industry and make it easier to move animals internally within the north of Ireland.
- 5.2 The proposed relaxation of the pre-movement testing rules will affect all cattle herdkeepers who wish to buy or sell animals in the north of Ireland. It should clearly be noted that this proposal relates to pre-movement testing rules for internal movement only. The requirements of the Council Directive relating to export to other Member States continue to necessitate the pre-movement test to be conducted on animals intended for breeding or production that are aged 12 months and over within 30 days of export. This will also remain the requirement for the export of cattle for breeding and production to Britain.
- 5.3 Currently animals aged 12 months and over that are exported to Britain for breeding and production must have a valid pre-movement test within the previous 30 days. This requirement will not change as a result of any relaxation of brucellosis pre-movement testing controls within the north of Ireland. In practice, any animal entering an approved Export Assembly Centre here from one of our approved "GB Export Premises" (i.e. such locally approved premises) for breeding and production export is often able to use either their routine surveillance test or pre-movement test to meet this requirement. If DARD implements any change to our internal pre-movement testing controls, operators of Export Assembly Centres may no longer be able to rely on the internal pre-movement test.



## **6. Other Impacts**

- 6.1 Under Section 75 of the NI Act 1998, the Department is required to have due regard to the need to promote equality of opportunity:
- between persons of different religious belief, political opinion, racial group, age, marital status or sexual orientation;
  - between men and women generally;
  - between persons with a disability and persons without; and
  - between persons with dependants and persons without.
- 6.2 The above policy issues have been screened in terms of equality and it has been concluded that they will not have any differential impact on the groups listed above. We would, however, welcome any comments on the equality aspects of the consultation.

## **7. Costs**

### **(i) Compliance Costs**

#### *Option 1: No change to current brucellosis pre-movement testing controls*

- 7.1 This option would maintain the current cost to farmers for complying with existing brucellosis pre-movement testing controls. Farmers arrange for the pre-movement test samples to be collected by a person approved by DARD. The sample collection is paid for by the farmer, but DARD pays for the laboratory testing and associated costs.
- 7.2 Charges may vary across each of the approved pre-movement test providers, but it is estimated that a typical test fee is approximately £36. The test fee comprises two elements – a charge for taking the blood sample from each animal (typically £5-7 per animal) and a call out fee (typically £16.50). It should be noted that there may be occasions whereby a cattle herdkeeper is not required to pay a call-out charge, if the private veterinary practitioner is already on farm for another purpose.

7.3 This annual cost to the industry of pre-movement testing is estimated to be some £1.8 million per annum, based on 2013 figures (see Row 1 of **Annex A**).

7.4 It is estimated that the total cost to DARD of processing the laboratory samples for pre-movement testing could be in excess of £70,000 per annum (See Row 1 **Annex A**).

*Option 2: Introduce a phased relaxation of brucellosis pre-movement test controls and further consider a phased approach through to possible abolition once OBF status is obtained.*

7.5 This option will reduce the total cost to farmers as the level of pre-movement testing will be reduced and the validity of all tests will be extended from 30 to 60 days.

7.6 Since pre-movement testing was introduced on 1 December 2004, approximately 40% of all pre-movement tests were conducted on animals aged between 12 and 24 months. If a 40% reduction is applied to the 50,054 grouped tests in 2013, it is estimated that 30,032 tests would be undertaken in 2014.

7.7 In addition, a study of data from 2012 indicates that approximately 12,000 animals required a second pre-movement test between 30 and 60 days. This equates to approximately 3,306 grouped tests. It should be noted that any pre-movement test will only remain valid for one move within that 60 day period and that any animal that is moved twice will still require a second pre-movement test.

7.8 In summary, by extending the pre-movement test age threshold to 24 months, and by extending the validity period to 60 days, it is estimated that the number of grouped tests would be reduced to 26,996 per annum. The total cost of the relaxed regime is therefore estimated to be in the region of £972,000 (see Row 5 in **Annex A**).

- 7.9 If similar levels of test reductions are applied to the number of laboratory samples required, it is expected that the reduced cost to DARD could be approximately £35,000 per annum (see Row 5 in **Annex A**).
- 7.10 Once OBF status is obtained, and should DARD decide to progressively relax our pre-movement testing controls through to abolition, the costs to cattle herdkeepers in paragraph 7.8 and the costs to DARD in paragraph 7.9 could ultimately reduce to zero.
- 7.11 This option could potentially have an impact on Export Assembly Centre operators who export cattle to Britain for breeding and production purposes from one of our approved "GB Export Premises", as already outlined in paragraph 5.3.
- 7.12 In 2013, 2,128 female cattle were exported to Britain for breeding and production via an Export Assembly Centre here from our approved "GB Export Premises". Of these, 815 were aged between 12 and 24 months when exported. Under the new rules outlined in Option 2, it is possible that some of these animals will not automatically meet the brucellosis export test requirement. Therefore, when a valid brucellosis test (either an annual or pre-movement test) has not been carried out in the previous 30 days, Export Assembly Centre operators here may need to arrange for a brucellosis test to be carried out on any eligible cattle. This test will be carried out at the operator's expense; in line with any other pre-export Private Check Test. It will include laboratory costs and will be subject to laboratory protocols.
- 7.13 It is not possible to estimate how many of these animals will require a pre-export Private Check Test. However, if we estimate based on a worst case scenario that all animals will need additional testing, it is possible that the additional cost to Export Assembly Centre operators could be in the region of £9,500 per annum (see Row 6 of **Annex A**).

### Option 3: Abolish pre-movement testing for brucellosis

- 7.14 This option would have no additional costs for farmers as the costs associated with pre-movement testing for internal moves within the north of Ireland would be removed.
- 7.15 This option could potentially have an impact on Export Assembly Centre operators who export cattle to Britain for breeding and production purposes from one of our approved "GB Export Premises", as already outlined in paragraph 5.3.
- 7.16 Therefore, Export Assembly Centre operators, may, when a valid brucellosis test has not been carried out in the previous 30 days, need to arrange for a brucellosis test to be carried out on any eligible cattle. This test will be carried out at the operator's expense; in line with any other pre-export Private Check Test. This test will be carried out at the operator's expense; in line with any other pre-export Private Check Test. It will include laboratory costs and will be subject to laboratory protocols.
- 7.17 In 2013, 2,128 female cattle were exported to Britain for breeding and production via an Export Assembly Centre here from one of our approved "GB Export Premises". If our internal pre-movement testing is abolished, it is possible that some of these animals may not have the valid export test requirement. It is not possible to estimate how many of these animals will require a pre-export Private Check Test. However, if we estimate based on a worst case scenario that approximately 2,000 animals will need additional testing, it is possible that the additional cost to Export Assembly Centre operators could be in the region of £20,000 - £24,000 per annum (see Row 7 of **Annex A**)

- 7.18 There would be no significant costs to DARD as a result of abolishing pre-movement testing.

**(ii) Other Costs**

- 7.19 The proposed relaxation of brucellosis pre-movement testing rules will have an impact on veterinary practices and persons that are currently approved by DARD to conduct pre-movement testing. There is therefore a potential loss of income once any relaxation in pre-movement testing rules comes into operation.

**(iii) Costs for a typical business**

- 7.20 The proposed relaxation of brucellosis pre-movement testing rules will not generate extra costs for farmers, as it will reduce the number of animals that require a test.
- 7.21 There may be some displacement costs for Export Assembly Centre operators here who export animals to Britain for breeding and production via our "GB Export Premises", if the animal does not have the relevant brucellosis test requirement.

**8. Consultation with Small Business**

- 8.1 The views of small businesses and their representative organisations were sought as part of the wider public consultation on the proposed policy change. In short, the policy change is likely to result in a reduced financial and regulatory burden for farmers who wish to sell or move their animals.

**9. Enforcement and Sanctions**

- 9.1 No additional enforcement or sanctions will be imposed by the relaxation of brucellosis pre-movement testing rules.

## **10. Monitoring and Review**

- 10.1 The Department's Veterinary Service constantly monitors brucellosis disease levels and produces monthly reports. Following any change to brucellosis pre-movement testing rules, the Department will continue to closely monitor and evaluate disease trends to establish if there has been any impact.

## **11. Consultation**

### **(i) Within Government**

- 11.1 No other government department is affected by the proposals.

### **(ii) Public Consultation**

- 11.2 Public consultation on these proposals lasted for 12 weeks and was announced by way of a press release to the local media and on the Department's website. Consultation letters also issued, including to farmer and veterinary representative groups.
- 11.3 All four consultation responses were generally supportive of the proposal to increase the age threshold for pre-movement testing and the length of the single movement window for internal movements in the north of Ireland.

## **12. Summary and Recommendation**

- 12.1 In light of the information provided above, the Department's preferred option is Option 2 as it strikes the best balance between ensuring that proportionate disease control measures are in place and providing a relaxed financial and regulatory burden on the farming industry.

12.2 On the basis of the options set out above, the Department has therefore decided:

- to increase the age threshold from 12 to 24 months;
- to extend the movement window from 30 to 60 days; and
- not to abolish pre-movement testing prematurely at this stage, but, on obtaining OBF status, to continue to consider further relaxing of our pre-movement testing controls in a phased approach through to possible abolition.

**13. Declaration**

**"I have read the Regulatory Impact Assessment and I am satisfied that the benefits justify the costs."**

*Signed:* 

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**14. Contact point**

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## Annex A

### Cost / Benefit Calculations and Assumptions

Data		Cost / Benefit to industry per annum	Cost / Benefit to DARD per annum
1	Annual cost of pre-movement tests	£1.8 million cost (50,054 <sup>1</sup> grouped animal tests at £36 <sup>2</sup> per test)	£70,000 <sup>3</sup> cost
2	Annual Benefit / Saving as a result of increasing the age threshold from 12 to 24 months.	£720,972 saving (Estimated 40% <sup>4</sup> reduction in the number of pre-movement tests required, i.e. 20,022 grouped animal tests at £36 per test).	£30,000 <sup>5</sup> saving
3	Annual Benefit / Saving as a result of extending the validity period from 30 to 60 days	£109,296 saving (Estimated reduction of 3,306 <sup>6</sup> in the number of grouped tests required at £36 per test).	£5,000 <sup>7</sup> saving
4	Annual Benefit / Saving as a result of abolishing pre-movement testing	£1.8 million saving	£70,000 saving

<sup>1</sup> Veterinary Service official statistics show that in 2013, a total of 189,767 individual animals were tested during 50,054 grouped tests. This equates to an average of 3.8 individual animals tested at each group test.

<sup>2</sup> Indicative costs as per average costs charged by AI Services as published on their website in January 2014. The test fee comprises two elements – a charge for taking the blood sample from each animal (£5-7 per animal) and a call out fee for the first animal tested (£16.50). Given that averages of 3.8 animals are tested at each grouped test, the average grouped test cost is approximately £36.

<sup>3</sup> Estimate based on cost of processing laboratory samples in 2014/15 (excluding running costs).

<sup>4</sup> Estimate based on an analysis of Veterinary Service statistics between 2004 and 2013.

<sup>5</sup> Cost based on estimated saving of processing laboratory samples in 2014/15 with a 40% reduction applied to the number of test samples processed.

<sup>6</sup> Estimate based on an analysis of Veterinary Service 2012 statistics which estimated that 12,000 fewer animals would require a pre-movement test as a result of this change. This equates to 3,306 grouped tests.

<sup>7</sup> Estimate based on a reduced cost of processing laboratory samples in 2014/15 with a reduction of 12,000 applied to the number of test samples tested (excluding running costs).



Data		Cost / Benefit to industry per annum	Cost / Benefit to DARD per annum
5	Annual Cost of pre-movement testing in Option 2 (i.e. after the age threshold has been increased from 12 to 24 months and the validity extended to 60 days).	£971,856 cost (26,996 <sup>8</sup> grouped tests at £36 per test)	£35,000 <sup>9</sup> cost
6	Cost to Export Assembly Centre Operators if Option 2 is introduced	£9,500 <sup>10</sup> cost	None.
7	Cost to Export Assembly Centre Operators if Option 3 is introduced.	£20,000 – £24,000 <sup>11</sup> cost	None.

<sup>8</sup> Estimated number of tests calculated at 60% of number of grouped tests conducted in 2013 (as a result of the age change) minus 3,306 grouped tests as a result of the extended validity period.

<sup>9</sup> Estimate based on cost of processing laboratory samples in 2014/15 once a reduction of 40% of samples (increased age threshold) and 12,000 (increased validity period) fewer samples have been applied (excluding running costs).

<sup>10</sup> Estimated cost based on worst case scenario of an additional 800 animals requiring a Private Check Test. Estimated cost based on estimated £36 cost for blood sample collection for each grouped test plus a charge of £2.67 for the laboratory sample. The laboratory cost is based on 2013/14 figures. However, in a small minority of samples, additional testing will be required and the cost could increase to £9.67 per sample.

<sup>11</sup> Estimated cost based on worst case scenario of an additional 2000 animals requiring a Private Check Test. Estimated cost based on estimated £36 cost for blood sample collection for each grouped test plus a charge of £2.67 for the laboratory sample. The laboratory cost is based on 2013/14 figures. However, in a small minority of samples, it additional testing will be required and the cost could increase to £9.67 per sample.