
STATUTORY INSTRUMENTS

1994 No. 673

ANIMALS

ANIMAL HEALTH

**The Bovine Spongiform Encephalopathy
Compensation Order 1994**

<i>Made</i>	- - - -	<i>8th March 1994</i>
<i>Laid before Parliament</i>		<i>11th March 1994</i>
<i>Coming into force</i>	- -	<i>1st April 1994</i>

The Minister of Agriculture, Fisheries and Food in exercise of the powers conferred on her by section 32(3) of the Animal Health Act 1981(1), and of all other powers enabling her in that behalf, with the approval of the Treasury in accordance with the said section 32(3), and the Minister of Agriculture, Fisheries and Food, the Secretary of State for Scotland and the Secretary of State for Wales, acting jointly, in exercise of the powers conferred by section 34(7) of the said Act, and of all other powers enabling them in that behalf, hereby make the following Order:

Title and commencement

1. This Order may be cited as the Bovine Spongiform Encephalopathy Compensation Order 1994 and shall come into force on 1st April 1994.

Interpretation

2. In this Order—

“affected animal” means a bovine animal which is affected with bovine spongiform encephalopathy;

“barrener cattle” means adult female bovine animals which have had one or more calves and which are being sold for either immediate slaughter or further fattening before slaughter;

“bovine animal” means a bull, cow, steer, heifer or calf;

“indicative market price” means a price calculated in accordance with the schedule to this Order;

(1) 1981 c. 22; see section 86(1) for definitions of “the Minister” and “the Ministers”.

“market value” means the price which might reasonably have been obtained for a bovine animal at the time of valuation from a purchaser in the open market if the animal were not an affected or suspected animal;

“suspected animal” means a bovine animal which is suspected of being affected with bovine spongiform encephalopathy.

Compensation for bovine animals slaughtered for bovine spongiform encephalopathy.

3.—(1) Where the Minister causes an affected animal to be slaughtered under the powers conferred on her by section 32(1) of the Animal Health Act 1981 in its application to bovine spongiform encephalopathy⁽²⁾, the compensation payable by her shall be an amount equal to either —

- (a) the market value of the animal; or
- (b) the indicative market price for the month in which the market value of the animal was determined,

whichever is the less.

(2) Where the Minister causes a suspected animal to be slaughtered under the powers conferred on her by section 32(1) of the Animal Health Act 1981 in its application to bovine spongiform encephalopathy and an examination at a veterinary laboratory of the Ministry of tissues taken from the carcase of the animal does not confirm that it was an affected animal, the compensation payable by the Minister shall be an amount equal to either —

- (a) the market value of the animal; or
- (b) 125 per cent of the indicative market price for the month in which the market value of the animal was determined,

whichever is the less.

(3) Notwithstanding the provisions of articles 3 and 4 of the Diseases of Animals (Ascertainment of Compensation) Order 1959⁽³⁾, the market value of a bovine animal which the Minister proposes to cause to be slaughtered shall, for the purposes of payment of compensation under the Order, be determined —

- (a) by agreement between the Minister and the owner of the animal, or
- (b) by one valuer appointed jointly by the Minister and the said owner, or
- (c) failing such agreement or appointment, by a valuer nominated by the President of the Royal Institution of Chartered Surveyors.

(4) A valuer appointed or nominated under paragraph (3)(b) or (c) above shall be paid by the Minister and shall give to the Minister and the owner a certificate in writing of the said value.

(5) The Minister shall take such steps as she considers appropriate for the purpose of bringing to the notice of persons concerned the indicative market price in respect of each month and the total number of animals and the total sale price on which the calculation of such indicative market price was based.

Revocation and saving

4.—(1) Subject to paragraph (2) below, the Bovine Spongiform Encephalopathy Compensation Order 1990⁽⁴⁾ is hereby revoked.

(2) Section 32 of the Animal Health Act 1981 was applied to bovine spongiform encephalopathy by S.I.1991/2246.

(3) S.I. 1959/1335.

(4) S.I. 1990/222.

(2) In relation to those bovine animals for which compensation has been calculated under the provisions of the Bovine Spongiform Encephalopathy Compensation Order 1990 prior to 1st April 1994, that calculation shall continue to apply.

In witness whereof the Official Seal of the Minister of Agriculture, Fisheries and Food is hereunto affixed on

L.S.

3rd March 1994.

Gillian Shephard
Minister of Agriculture, Fisheries and Food

8th March 1994

Hector Monro
Parliamentary Under Secretary of State, Scottish
Office

4th March 1994

John Redwood
Secretary of State for Wales

We approve,

7th March 1994

Irvine Patnick
Nicholas Baker
Two of the Lords Commissioners of Her
Majesty's Treasury

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SCHEDULE

Article 2

CALCULATION OF INDICATIVE MARKET PRICE

The indicative market price for each month shall be calculated using data collected in Great Britain relating to the month occurring two months before the date on which the market value was determined under article 3(3) of this Order and in accordance with the following formula:

$$\frac{(A \times B) + (C \times D)}{(A + C)}$$

where

A equals the number of cattle aged less than 7 years when valued which were slaughtered as BSE suspects;

B equals the average price for Friesian and Holstein cows in milk and in calf, first calving cows in milk and down calving heifers, in each case of first and second quality;

C equals the number of cattle aged 7 years or more when valued which were slaughtered as BSE suspects;

D equals the average price for first and second quality barren cattle of dairy breeds, the final figure being rounded down to the nearest multiple of £1.

EXPLANATORY NOTE

(This note is not part of the Order)

This Order prescribes the amount of compensation payable for bovine animals caused to be slaughtered by the Minister of Agriculture, Fisheries and Food under section 32 of the Animal Health Act 1981 because they are affected, or suspected of being affected, with bovine spongiform encephalopathy.

The compensation payable is an amount equal to the lower of either (i) the market value of the animal or (ii) the appropriate indicative market price except that, where a subsequent laboratory examination of tissues taken from the animal does not confirm that it was an affected animal, the compensation payable shall be an amount equal to the lower of the market value or 125 per cent of the indicative market price (article 3).

The “indicative market price” of a bovine animal for the purpose of such compensation is to be calculated in accordance with the Schedule to the Order and is based upon (a) data drawn from the monthly Agricultural Market Report (AMR), prepared by the Government Statistical Service, which provides the average price for Friesian and Holstein cows in milk and in calf, first calving cows in milk and down calving heifers and the average price for barren cattle of dairy breeds, drawn from information from thirty six markets in England and Wales and (b) data received by the Ministry pursuant to the [Bovine Spongiform Encephalopathy Order 1991 \(S. I. 1991 No.2246\)](#) which requires notification of suspect BSE cases and, where appropriate, compulsory slaughter. Both the AMR and the data referred to in (b) above can be obtained from the Animal Health (Disease Control) Division of the Ministry at Government Buildings (Toby Jug Site), Hook Rise South, Tolworth, Surbiton, Surrey, KT6 7NF.

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The Order revokes the Bovine Spongiform Encephalopathy Compensation Order 1990 (except in so far as compensation has been calculated under the provisions of the 1990 Order for bovine animals before the coming into force of this Order) (article 4).

A Compliance Cost Assessment has been prepared and a copy has been placed in the library of the House.