

**EXPLANATORY MEMORANDUM TO  
THE CATTLE IDENTIFICATION REGULATIONS**

**2007 No. 529**

**1.** This explanatory memorandum has been prepared by the Department for Environment, Food and Rural Affairs and is laid before Parliament by Command of Her Majesty.

**2. Description**

2.1 Nine statutory instruments (SI), known collectively as the “cattle identification regulations”, have been made since 1998 to implement and enforce the European Union (EU) regulations establishing a system of identification and registration for bovine animals (henceforth “cattle”). This new SI brings together and updates all the provisions into one clear, concise document. It also makes two significant changes to current procedures for identifying and tracing cattle: stopping the use of temporary identification/movement documents (henceforth “passports”) for calves, and enabling late birth registrations to be supported by DNA test evidence for the issue of a passport.

**3. Matters of special interest to the Joint Committee on Statutory Instruments.**

3.1 None.

**4. Legislative Background**

4.1 In 1997, in response to the BSE crisis, the Council of the European Union (henceforth “Council”) made the Regulation (EC) No 820/97 to bring into force from January 1998 a regime of individual identification of cattle by means of ear tags with the number recorded on passports issued to accompany each animal from birth to death; and tracing by means of notification of births, movements and deaths of each animal on a central computer database. Detailed rules were set out in several European Commission (henceforth “Commission) regulations. All of these regulations are directly applicable in Member States (MS) and have been enforced in England by the domestic cattle identification regulations.

4.2 Both EU and domestic regulations have been amended on several occasions since 1997, making minor changes but fundamentally keeping rules for identification and tracing the same. This SI is a consolidation and updating exercise, taking the opportunity to make two beneficial changes to procedures.

**5. Territorial Extent and Application**

5.1 This instrument applies to England. Similar legislation is being prepared by the Scottish Executive, and the National Assembly for Wales. Northern Ireland is unaffected by these changes.

## **6. European Convention on Human Rights**

6.1 As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

## **7. Policy background**

7.1 The objectives of the regime of cattle identification and tracing under Council and Parliament Regulation (EC) No 1760/2000 (replacing 820/97 above) are threefold: to enable the effective control and eradication of animal disease, particularly BSE; to re-establish consumer confidence in beef and beef products through transparent traceability of the animals and food products made from them; and to assist with the management of Common Agricultural Policy (CAP) subsidy schemes. The regime has been largely successful in supporting all these objectives, but particularly in GB in assisting the reduction of BSE incidence to a level which allowed the EU Commission to lift the beef and live cattle export ban on the UK imposed since 1996.

7.2 We continue to need a set of clear, effective procedures, enforced in a proportionate manner, to maintain the benefits of the system. This new SI will come as a great relief to both industry and delivery enforcement agencies who need and want to understand and work within the rules, and who welcome this classification of them.

7.3 In addition to clarifying regulations, correcting omissions and updating references, the SI will change the current procedures to –

- Require that all cattle move from birth fully registered on the tracing database and with a full passport. Until now, calves under one month old have been allowed to leave the farm they were born on with a temporary, hand-written document. The latter have long been unpopular with calf traders who have problems obtaining a passport when the temporary document has not been properly completed by the breeder. They cause most errors on passport applications, and the calves can move through the national herd without being traced through the database for 27 days after birth. The public consultation showed that industry supported this provided that the British Cattle Movement Service could guarantee the prompt issue of passports. The average turn-around time for the issue of a passport from a correct application is 2 days from receipt of application.
- Enable late passport applications to be supported by a positive DNA test of the mother/calf link. Cattle keepers have 27 days from birth in which to register the birth of a calf and apply for a passport, using either an application form pre-printed with ear tag number and farm holding details, or using the interactive web facility provided by the Secretary of State. If applications are late, the Secretary of State can only issue passports following investigation. DNA tests are now reasonably priced and readily available. They are routinely used by cattle breed societies to assist with pedigree applications. Changes to the cattle identification regulations will allow them to be used as evidence of the identity of the calf enabling the authorities to issue passports when applications are late, without compromising traceability.

7.4 In April 2006, the Department wrote to 200 bodies representing all sectors of the cattle industry, including all farmers' unions and associations, breed societies, veterinary bodies,

market and other animal gathering associations, slaughterhouses and all enforcement authorities. The consultation documents were published on the Department's website. We received 18 responses, which were published on the Departments website; copies are also available from the Departments main library. There were no main objections, although several organisation suggested the possibility of a system of fines for late passport applications. After careful consideration, we concluded that a system of fines for late passport applications would be unworkable.

## **8. Impact**

8.1 A Regulatory Impact Assessment (RIA) is attached to this memorandum.

8.2 Impact of the changes in procedures were-

- An end to the use of temporary calf passports: We envisage some adverse impact on breeders who must apply for passports (there is no difference in the form or details they have to fill in), which may be outweighed by the improvement in value of calf; and benefit to the purchaser who buys product fully registered and identified. There is also a benefit to the delivery agency (and taxpayer) from a significant drop in error rates on passport applications; as well as benefit to public health protection and animal disease control through improved traceability of calves.
- DNA test is voluntary.
- A reduction in replacement passport fees which benefit the farmers. The fall in administration costs will allow us to charge less.

## **9. Contact**

Lynne Newman at the Department for Environment, Food and Rural Affairs Tel: 020 7904 8133 or e-mail: [cir.comments@defra.gsi.gov.uk](mailto:cir.comments@defra.gsi.gov.uk), can answer any queries regarding the instrument.

# REGULATORY IMPACT ASSESSMENT

## 1. Title

1.1 Regulatory Impact Assessment (RIA) for England on proposed amendments and consolidation of Cattle Identification Regulations 1998.

## 2. Issue

2.1. EU Parliament & Council Regulation (EC) No1760/2000, supplemented by a series of Commission Regulations, establishes a system for the identification and registration of bovine animals. It is directly applicable in English law, but the Cattle<sup>1</sup> Identification Regulations 1998 (as amended), the Cattle Database Regulations 1998 (as amended) and the Cattle (Identification of Older Animals) Regulations 2000 (as amended) were made in order to enforce it.

2.2 A consolidation of the following seven Statutory Instruments (SI) is proposed:

The Cattle Identification Regulations 1998  
The Cattle Identification (Amendment) Regulations 1998  
The Cattle Identification (Amendment) Regulations 1999  
The Cattle Database Regulations 1998  
The Cattle Database (Amendment) (England) Regulations 2002  
The Cattle (identification of Older Animals) (England) Regulations 2000  
The Cattle (Identification of Older Animals) (Amendment) (England) Regulations 2002  
The Cattle Identification (Amendment) Regulations 2006  
The Cattle database (Amendment) Regulations 2006

This consolidation will allow all legislation on the enforcement of cattle identification to be in one single SI. It will allow improvements to be made. This is in line with Government policy to simplify and reduce the regulatory burden on keepers.

2.3 As well as consolidation, amendments to the Regulations are needed to: -:

Incorporate and enable modern e-business reporting procedures;  
Improve and simplify the Regulations in the light of experience since 1998;  
Incorporate new measures passed by the European Commission since 1998.

## 3. Objective/rationale for Government intervention

3.1 The objective of this review is to:

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<sup>1</sup> For the purposes of these regulations, "cattle" includes bovine animals including the species *Bison bison* (bison) and *Bubalus bubalis* (buffalo)

- make it clearer to keepers and enforcement agencies what is required by the regulations – a single consolidated SI will be simpler and clearer than the current set of amended regulations;
- update and correct the regulations to provide for current policy and practice e.g. reporting births and movements electronically;
- maintain and improve the traceability of cattle for disease control and subsidy management purposes;
- make resource savings for industry and Government.

## 4. Background

4.1 The identification of cattle for disease control purposes has been done in Great Britain for over 50 years. With the onset of BSE, however, tighter controls were considered necessary. The current regime for bovine identification and tracing is governed by directly applicable regulations passed by the European Union (EU) Council and Parliament.

4.2 In April 1997, in direct response to the BSE crisis, the EU Council passed Regulation 820/97 establishing a system for identification and registration of bovine animals and regarding the labelling of beef and beef products. The EU Commission then passed regulations giving detailed rules on aspects of the system, such as format of eartags and numbers of inspections. Both the Council and the Commission regulations have been amended and updated since 1997, but the essential components of the system of bovine identification and tracing remain the same. The current Council Regulation is numbered 1760/2000. Although both the Council and Commission regulations are directly applicable in all Member States, they are enforced by domestic legislation – the Cattle Identification and Database Regulations.

4.3 The main identification and tracing elements of the regime consist of: tagging cattle in both ears with a unique individual identity within the national herd, which is kept for its lifetime and shows the holding of birth; having documents (passports) to show their birth and movement history details which accompany them whenever the animal is moved; having a central computer database which will hold all cattle identification and movement details (births, deaths and movement) within a short time of them happening; and records kept on the holding (farm, market or slaughterhouse) of the same details to back up the database.

4.4 The main purpose of imposing this regime on European cattle herds and farmers was and is the control and eradication of BSE, through “farm to fork” traceability of every animal. This level of control provides protection to the public against eating contaminated beef, and has allowed the de-stabilisation of the market for beef to be halted and turned around by re-establishing public confidence. The preamble to the Council Regulation makes clear the importance of this aim in both public and animal welfare interests.

4.5 In addition, the control of other bovine diseases is facilitated by individual identification and traceability of cattle, thus providing improvement in animal health. Since 2001, it has been seen as a requirement for the control of epidemic diseases, such as Foot and Mouth Disease. Finally, the systems established in Member States

were to be suitable to assist the management of EU Common Agricultural Policy (CAP) bovine subsidy schemes, and the new Single Farm Payment Scheme.

## 5. Devolution

5.1 Cattle identification is now a devolved matter and consequently separate Statutory Instruments will be needed for England, Scotland and Wales. Northern Ireland already has separate legislation. This Regulatory Impact Assessment is for England only.

## 6. Businesses affected

6.1 Cattle farms, small-holdings, and those markets, collection centres and slaughterhouses handling cattle will be affected by the amendments. There are estimated to be some 60,000 livestock holdings that keep cattle in England. There are approximately 135 livestock markets, and 285 slaughterhouses, which deal in cattle.

## 7. Description of options

7.1 Three possible options have been identified for taking this review forward:

**Option 1** – Do nothing and continue with the current legislation as it is.

**Option 2** – Update and simplify domestic legislation in line with European legislation and go no further.

**Option 3** – Update and simplify domestic legislation in line with European legislation and make further amendments to domestic legislation.

Both Options **2** and **3** would be accompanied by a full consolidation of the Regulations. This would allow all domestic cattle legislation to be in one single document, reducing the number of pieces of legislation from seven to one.

## 8. Details of Options

### ***Option 1***

8.1. This option will maintain the status-quo and would leave the current system unaltered.

### Option 2

8.2. Since the domestic Regulations were made in 1998, EU legislation on cattle identification has been amended and updated, as well as entirely new regulations coming into force. We must update our domestic legislation to ensure that all references to EU legislation are up-to-date, and any additions included.

8.3. These include Commission Regulations: 509/99 allowing the delayed tagging of bison; 1663/99 (now incorporated into 911/2004) on replacement eartags; 2194/98 (also now incorporated into 911/2004) on limits of the automatic supply of eartags; and 644/2005 authorising a special identification system for bovine animals kept for cultural and historical purposes. Failure to enforce some of these provisions could put the UK at a low risk of infraction procedures by the European Commission.

### **Option 3**

8.4. The Regulations have not been fully updated since 1998, and have not kept pace with developments in electronic reporting. Amendments have been made in response to devolution and the need for improvements following the Foot and Mouth Disease outbreak, but further amendments are needed to support changing practice. We can take this opportunity to make a number of further desirable changes. These amendments would improve the efficiency of the British Cattle Movements Service (BCMS), reduce costs and facilitate development of the Defra Livestock Register.

## **9. Costs/Benefits**

9.1 The economic, social and environmental benefits and costs of each option are set out below. This RIA is for England only. BCMS deals with animals in England, Scotland and Wales, therefore the figures they have produced for the purpose of this RIA cover the whole of Great Britain. To breakdown the cost and benefits implications by region, the best working assumption is that as England currently has two-thirds of the cattle population then two-thirds of all costs will likely be incurred by England.

### **Option 1**

9.2 There would be no benefits to this option. Continuing with some procedures unresolved would not reduce costs and may even cause the costs of the cattle identification system to rise to both industry and Government.

### **Option 2**

9.3 Updating the CIRs to reflect the amendments to European legislation has the benefit of removing the risk of infraction proceedings against the UK for under-implementation. It has the further, perhaps more intangible, benefit of increasing the respect of the EU Commission and other Member States to see that all EU legislation is acknowledged in our legislation.

9.4 Below are details of the amendments that are proposed to bring our domestic legislation into line with European legislation.

#### **9.5 Commission Regulation 509/1999:**

Cattle must be tagged within 20 days of birth. Commission Regulation 509/1999 allows the tagging of bison to be delayed for up to nine months from birth, on condition that the tagging extension does not affect the quality of information

provided by the national database. The young bison must, however, be tagged if they leave the holding of birth before nine months. This concession was granted at the request of bison keepers in several Member States, including the UK, because of the difficulties of handling young bison.

9.6 The option of tagging bison at up to nine months of age has been applied on an administrative basis since 30 April 1999.

9.7 This change will have no cost impact on the industry that will be affected.

**9.8 Commission Regulation 911/2004 Article 1.6 (repealing Commission Regulation 1663/99) – format of replacement eartags:**

Commission Regulation 911/2004 requires that when an animal imported from another Member State loses an eartag, the replacement eartag must bear at least the same identification code as the original tag in addition to the code or logo of the competent authority<sup>2</sup> issuing it. The objective here is (i) to ensure that the animal retains its unique identification number, (ii) to make it easier for keepers to purchase replacement tags for imported animals, and (iii) to harmonise practice across the European Union.

9.9 UK eartag manufacturers can produce replacement tags in the correct format but with UK logo, and allowing this would be the impact of the proposed change. There is no cost impact, because the amendment would bring the legislation into line with current practice.

**9.10 Commission Regulation 911/2004, Article 1.5 (repealing Commission Regulation 2194/98) – Limit to one year's supply of eartags:**

Commission Regulation 911/2004 limits to one year's supply the number of eartags which a keeper can buy in advance.

9.11 We are proposing giving the Minister discretionary powers to stop issuing eartags in circumstances where exceptional numbers of eartags are being ordered compared to the number of births registered on CTS.

9.12 This option has the dual benefit of complying with the EU legislative requirement, and allowing enforcement authorities to prevent cattle fraud by misuse of eartags, without imposing a further burden on keepers.

**9.13 Commission Regulation 644/2005 Authorising a special identification system for bovine animals kept for cultural and historical purposes:**

This Regulation lays down rules for a special identification system for bovine animals recognised by the competent authority as being kept for cultural and historical purposes on premises approved for that purpose by them.

9.14 This is a new permissive regulation to allow premises which are run for historical, cultural purposes to register with the competent authority in order to be allowed to remove the official ear tags of cattle kept on the premises, and not to tag cattle born on the premises, while they are on the premises. It does not affect keeper's responsibilities to notify births, movements and deaths to CTS, nor to keep

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<sup>2</sup> Competent authority is the term used in EU legislation for the Member State's government department and agencies responsible for ensuring that the legislation is implemented.



proper records. The animals must be identified by one of 4 other methods as decided by the competent authority – 2 plastic or metal tags; 1 plastic or metal ear tag and a brand marking; a tattoo; an electronic identifier in a ruminal bolus. A specific registration code must be given to the premises to be registered on CTS.

9.15 The regulation is directly applicable, and therefore Defra will receive and consider any applications made under it. The acceptable method of identification that Defra are proposing will be by electronic bolus.

9.16 The full cost impact is impossible to assess. There will be no cost impact to industry as a whole as the system will be voluntary. It will be for the premises that fulfil the requirements of this derogation to make a business decision on whether they wish to take advantage of it. We would not expect more than 1 or 2 applications of this type.

### **Option 3**

9.17 There is a full list of amendments (attached at Annex 1) that we are proposing making to the Regulations, but many are simply regularising current practices and have not been included in the scope of this RIA. The impact of the amendments on industry is small and the estimated total costs to both Government and industry are £213,640.<sup>3</sup> However there are several proposed amendments that will have some impact for both industry and Government. These are examined below.

#### **9.18 Late passport application procedures:**

Regulation 13(4) of Cattle Identification Regulations 1998. It is proposed to amend Regulation 13 (4) which requires the Secretary of State not to issue passports if the application is late, except on consideration of the circumstances of each case. The amendment proposed would allow the Secretary of State to accept the results of DNA tests, which have been taken to confirm the dam:calf relationship and have been certified as correct by a veterinary surgeon of the keeper's choice, as evidence of the integrity of the passport application. It would then allow her to issue a passport on the basis of that evidence.

9.19 BCMS will continue to administer the passport applications on the Secretary of State's behalf, and there are no changes proposed to application procedures or deadlines. Keepers would still be allowed to make representations concerning exceptional circumstances, which prevented them making an application on time, as they can now. It would not be compulsory for them to have the DNA test and veterinary verification.

9.20 The benefit of this proposal is that it will allow those keepers who miss the deadline to provide acceptable independent proof of the parentage of the calf. This will in turn allow the Secretary of State to issue a passport without jeopardising the protection of public health.

9.21 Any cost on industry is avoidable by making timely applications for passports. Over 99% of passport applications were received within deadline during 2005. Recently, the monthly average of late applications has dropped to around 850

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<sup>3</sup> See figures at section 10 for further details

(around 0.3% of applications). About 65% of appeals in the same period were successful. This proposal will affect a very small number of keepers and animals.

9.22 The financial impact on individual keepers will vary according to the fees and charges structure of the vet they choose. The Royal College of Veterinary Surgeons does not dictate the charging scales which vets should use. There is a variety of companies which offer DNA tests at varying price scales. The cost should be less than the current potential financial loss for individual keepers, which is the loss of the potential trade value of a productive adult bovine animal. The costs should range from some £100 to £300 for DNA tests and veterinary certificate, compared to adult bovine animal market value which can vary between £'00's-£'000's depending on age, pedigree and breeding status. Should the keeper decide that the animal's potential value does not merit obtaining this proof, it will still be open to them to appeal on grounds of exceptional circumstances.

9.23 We anticipate that the costs of administering the current appeals procedures, currently about £350,000 annually, will remain static or will fall marginally.

#### **9.24 Reducing cost of replacement passports: Regulation 24 of Cattle Identification Regulations 1998:**

Under this Regulation, the statutory charge for replacing any lost, destroyed or stolen cattle passport is £50. However the cost to BCMS of issuing a replacement passport is only £20.

9.25 The cost to industry is estimated to be £100,000 per year for replacing around 2000 passports. For England only, the estimated cost to industry is around £66,700.

9.26 We propose abolishing the £50 charge and instead inserting a Regulation that will allow the Secretary of State to set the fee which we will publicise on the website. This is likely to £20 to reflect the actual cost of issue.

9.27 This change would not alter the administrative requirements for keepers, who would still need to fill out the same replacement request form.

9.28 For England only the saving to industry would be in the region of £40,000<sup>4</sup> and the loss in receipts to BCMS would therefore be the same figure.

#### **9.29 Regulation 15 of Cattle Identification Regulations 1998. Repeal and abolish "temporary calf passports" (henceforward "TCP")**

We are proposing abolishing TCPs. Pre-printed passport application forms can currently double as a TCP. These are sent automatically to keepers at the same time as their eartag orders are despatched, so that the keeper has the tags and passport application form for the ear tag number to hand immediately on the birth of the calf. The back of the form has "boxes" for recording movement details or death, and thus can be used as a temporary movement document before the full CTS passport is issued. These can be used to move calves under 4 weeks' of age twice before they must be registered on the CTS database (and a full passport applied for). Calves may not leave the holding until their navel is healed. These documents are often used for male dairy calves, which are disposed of within a few weeks of birth. Some animals on a TCP go to slaughter for human consumption as veal calves.

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<sup>4</sup> See figures at Annex 4

9.30 Movement details must be filled in by hand as the document moves with the calf. TCP cause anomalies and queries on CTS, because birth registration (particularly dam's identification) or movement details are not always completed properly. They are also among the worst culprits for late passport applications, with 1.5% of applications on TCPs received late compared to 0.4% of applications received directly from holding of birth. This is because sellers sell the calves too close to the passport application deadline for the purchaser to apply on time. Their abolition and replacement by a system where all animals move only with a full passport would secure birth registrations and greatly improve traceability for these animals; avoid them being refused passports on grounds of incomplete history or of late application; be of benefit to the purchasers who would have a proper passport from the start.

9.31 It had always been the intention to remove the concession for calves to be moved on a TCP once the system was operating efficiently. If a passport is applied for just after the time of birth BCMS can issue it before the calves' navel is healed and it can legally be moved. This change can now be made.

9.32 Movement detail errors associated with TCPs represent some 55,000 "anomalies"<sup>5</sup> annually on CTS at a correction cost of around £73,000 to BCMS. The cost for England only would be in the region of £49,000.

9.33 The benefits of abolishing TCPs would include administrative efficiency savings at BCMS, and reassurance to purchasers of young calves because problems with the TCP may ultimately lead to the animal being refused a passport and the purchaser being left with a valueless animal. The value of the loss of an individual calf can be from as little as £1 to as much as £100's lost potential value depending on pedigree value. Not allowing calves to leave a holding of birth before their birth is fully registered on CTS and the passport issued will stop this loss of value to markets and other purchasers.

9.34 A further benefit of the abolition of TCP is the improvement to quality of data on CTS. The quality of CTS data is regularly audited by the European Commission's Food and Veterinary Office Inspectors. The benefits to both the livestock industry and Government in having an accurate cattle tracing database to underpin effective disease control and to support exports of beef and cattle are incalculable, but the costs of inaccuracy to the government were estimated by the 2003 NAO value for money report on Livestock Identification and Tracking in England at around £15,000,000 in staff resources and disallowance for CAP subsidy.

9.35 It is estimated that the cost to BCMS of implementing this change will be neutral<sup>6</sup>. Costs relate to the additional passports that will need to be issued for all calves that move under 27 days of age, but also die under 27 days (the deadline for applying for a full cattle passport). There will also be a cost for enhancing CTS to

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<sup>5</sup> BCMS refer to incomplete movement details and movement histories on the Cattle Tracing System computer database as "anomalies". The 55,000 anomalies cannot be equated with 55,000 cattle, since one animal may have more than one anomaly against its record. Each anomaly must be individually corrected by BCMS staff.

<sup>6</sup> See detailed calculations at Annex 2

allow this change. It is estimated that the cost will be approximately £200,000. This cost will be borne by Defra.

9.36 Keepers moving calves quickly: Certain sectors of industry may feel that this change will negatively impact upon them. Keepers can move calves quickly on a TCP, because they are already in possession of the document and do not have to wait to receive anything before being able to move the calf. The guarantee of swift passport issue by BCMS should answer these fears. It is of benefit to the breeder to have his calves securely registered on the database before they move on, as compliance with the cattle birth registration rules is required under the Single Farm Payment Scheme, and the keeper will not be left in a position of having to rely on a third party to register the calves once they have left his/her care.

9.37 The administrative burden on keepers at the birth holding will not lessen as they are already required to complete the same details on a TCP, as they are for a passport application. Reporting movements for them and subsequent keepers (including markets), though, will be easier as they can use the purpose-designed freepost movement cards, email or web in the normal way for reporting movements rather than writing in details by hand on the TCP.

9.38 The benefits to traceability that go beyond immediate cost savings will assist both trade in cattle and disease control.

## 10. Summary of cost/benefits England only

### 10.1

Options	Individual amendments	Costs	Benefits
1		-	-
2		-	Small risk of infraction proceedings against UK for under implementation negated.
3	Reducing charge for replacement passports to reflect actual cost of issue.	£40,000 reduction in revenue for BCMS	£40,000 saving to industry
3	Abolish Temporary Calf Passports	£72,400 additional cost to BCMS of producing passports	£ 73,000 in administrative savings for BCMS.

		£200,000 for enhancement to CTS.  £14,240 in postage costs to keepers; approx £0.25 per holding	Improved quality in data on CTS Benefit of improved data to industry and Government
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## 10.2 Cost/benefits to industry

Options	Cost	Benefit	Total (cost – benefit)
1	0	0	0
2	0	0	0
3	£14,240	£40,000	£25,760 Saving to industry

## 10.3 Cost/benefits to Government

Options	Cost	Benefit	Total (cost – benefit)
1	0	0	0
2	0	0	0
3	£312,400	£73,000	£239,400 Cost to Government

**Cost to Government – benefit to industry = Additional cost of amended system**

$$239,400 - 25,760 = \text{£}213,640$$

10.4 We are aware that there is a small additional financial cost to these amendments, but we believe that the benefit from these amendments and the consolidation of the Regulation outweighs these costs. It is also worth noting that all costs incurred by this revised system are likely to be temporary.

## 11. Enforcement, sanctions and monitoring

11.1 These amendments will require no changes to the enforcement and monitoring systems that currently exists for the CIR.

## 12. Issues of equity & Fairness

12.1 We have not identified any for this review.

## 13. Consultation with small businesses: Small Firms Impact Test

13.1 Almost without exception all livestock holdings in England come under the definition of a Small Firm, i.e they have fewer than 250 employees. Therefore these amendments will not bear more heavily on small businesses. There is unlikely to be a difference of impact for micro, small and medium sized businesses. The number of animals on a holding will likely dictate the impact of the amendments on a holding, and there is likely to be a correlation between numbers of animals and number of staff available to deal with their impacts.

13.2 Key industry groups will continue to be involved throughout the public consultation process and throughout the legislative process. We are also issuing a small business questionnaire alongside this consultation to better assess the amendments impact upon them.

## **14. Competition Assessment**

14.1 The competition filter was carried out on cattle premises in GB. The results suggest that the proposed changes will not have a negative effect on competition in this sector.

## **15. Reviewing/Monitoring Regulation**

14.1 The Regulation will be reviewed on an ongoing basis and amended as required by changes in EU legislation.

## **16. Consultation**

(i) Within Government

In production of this RIA we have consulted with Defra's Better Regulation Unit, other policy makers in Defra, colleagues in the Devolved Administrations, Cabinet Office and Small Business Service.

(ii) Public consultation

These proposals were subject to a standard twelve - week public consultation period.

## **17. Declaration**

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

**Signed** Ben Bradshaw

**Date** 1st February 2007

**Minister of State**  
**Department for Environment**  
**Food and Rural Affairs**

# Annex 1

## Full list of amendments to CIRs EARTAGS

### **1. Allow replacement tags for imported cattle with UK crown logo.**

Simple amendment implementing Article 1(6) of Commission Regulation 911/2004, regularising the current practice of allowing eartag manufacturers to use the crown logo on replacement tags on animals that have been imported from Member States. (See RIA for further details).

### **2. Allow bison to be tagged up to 9 months after birth.**

Implements Commission Regulation 509/1999, which allows the tagging of bison to be delayed for up to 9 months, on the condition that the tagging extension does not affect the quality of information provided by the national database. (See RIA for further details)

### **3. Make it an offence to transfer eartags between animals.**

Makes it an offence to identify an animal with ear tags already used to identify and register on CTS a different animal.

### **4. Commission Regulation 644/2005** Authorising a special identification system for bovine animals kept for cultural and historical purposes (See RIA for details).

## PASSPORTS

### **5. Abolish temporary calf passports.**

Article 6(2) of Commission Regulation 911/2004 concerning the movement of calves under four weeks of age without passports is permissive and need not be taken in domestic legislation. (See RIA for further details)

### **6. Reduce £50 fee for replacement passports to £20 for animals born after 28 September 1998.**

The £50 fee should be reduced to reflect the actual cost of issue. The fee will be the Secretary of State outside of legislation and will be published on Defra's website. (See RIA for further details)

**7. Late passport application procedures** Regulation 13(4) of Cattle Identification Regulations 1998. It is proposed to amend Regulation 13(4) which requires the Secretary of State not to issue passports if the application is late, except on consideration of the circumstances of each case. The amendment proposed would allow the Secretary of State to accept the results of DNA tests, which have been taken to confirm the dam: calf relationship and have been certified as correct by a veterinary surgeon of the keeper's choice, as evidence of passport on the basis of that evidence.

### **8. Misusing a passport**

Makes it an offence to use a cattle passport in relation to an animal other than the animal for which it was granted.

## NOTIFICATIONS TO THE DATABASE

**9. Amendment to Regulation 9 of the Cattle Database Regulations 1998 to extend the method of notification to CTS** Technical amendment to extend the methods of notification which may be used.

## ENFORCEMENT

### **10. Powers to mark unidentified animals.**

Difficulties have arisen when, in the course of an inspection, inspectors find cattle that are not eartagged, and the keeper refuses or is unable to tag them. This Regulation would give the minister the power to mark unidentified animals. In practice this would involve applying a ministry tag to the animal or to apply an identifying mark with a spray can.

**11. New provision allowing a local authority inspector to licence an animal back to a holding if it is found at a market without a valid passport** This mirrors an existing provision allowing them to licence an animal back to a holding if it is not tagged.

## Annex 2

### **Costing of abolition of Temporary Calf Passports**

1. A full passport will need to be issued for all calves that move whilst under 27 days of age; currently this is not the case as calves can move twice on a TCP. Some of these animals that move under 27 days will also die under 27 days. These are the animals which will have a cost impact on BCMS, because they do not issue a full passport at present.

2. For 12 months July 2004 – June 2005 a total of 2,839,000 birth notifications were received by BCMS of which **72,400** (2.5%) were for dead calves.

3. The latest figures show that the cost to BCMS for producing a full passport is **£8.61**, whilst the cost of producing a pre-printed application form is **50p**. Therefore there is an additional burden on BCMS of roughly **£8.11** for each animal that will require a full passport that currently does not.

4. The only additional cost to BCMS will be to produce passports for animals that move and die under 27 days. The remainder that move on a TCP but die after 27 days are currently already required to apply for a full passport. Therefore for these animals we are only bringing the date of application forward and there is no change in financial or administrative cost to either keeper or BCMS.

5. If we use 72,400 (the number of deaths reported on a TCP) as the maximum number of additional passports to be produced:-

**£72,400 x 8.11 = £587,164**



6. If we subtract the £73,000 BCMS currently spends annually on correcting anomalies caused by TCPs then the figure would be:

$$587,164 - 73,000 = 514,164$$

Again if we calculate this on a England only basis:

$$2/3 \text{ of } 514,164 = \text{£}342,776$$

5. This shows the additional burden to BCMS of abolishing TCP to be in the region of **£340,000** per annum for England only.

6. However after discussions with BCMS they do not feel that the full economic cost of producing a passport is the appropriate figure to use here. Much of the work in producing a passport still has to be done when an animal is reported dead on a TCP, because the birth must still be registered on CTS, the movement history uploaded manually and then the death recorded and the history closed. In addition to correcting movement anomalies the birth details and movements have to be input to CTS (manually for those from slaughterhouses – more labour intensive than a normal application), any validation errors have to be resolved, and the form has to be scanned for storage. The main difference is in printing and posting a passport, which costs less than £1. There a more realistic cost to BCMS can be calculated by multiplying the number of deaths reported on a TCP by the additional cost per passport to BCMS.

$$\text{£}72,400 \times \text{£}1 = \text{£}72,400.$$

However if this cost of £72,400 is offset by the saving of £73,000 that will be made by BCMS for no longer having to correct anomalies as result of TCP the cost to BCMS will be neutral for England and equally GB as a whole.

There is a one-off additional cost of £200,000 to make a small technical change to the Cattle Tracing System (CTS) database to enable this change. The funding has been accounted for within Defra's existing budget.

### **Annex 3**

#### **Additional cost of postage**

Number of animals slaughtered under 27 days x cost of postage.

However if we work on the assumption that:

$$72,400 \times \text{£}0.30 \text{ (cost of first class stamp)} = \text{£}21,720.$$

Then the cost implication for England could be in the region of £ 14,240 additional cost to industry.

However if we break this down to cost per holding:

Total cost of postage / total number of holdings = additional postage cost for each holding per annum

**21,720/87,173= £0.25**

This is a maximum estimate since 53% of births (passport applications) are now notified by web or email, and not by post, so the cost is the cost of logging on to the internet facility and impossible to breakdown by individual application.

#### **Annex 4**

Current amount spent by industry on replacement passports 2000 x £50 =£100,000

England only £66,700

If fee reduced to £20 and assuming all 2000 were cheque-book still passports cost to industry 2000 x £20 = 40,000

Therefore saving to industry per annum for England only = approx £66,700 –26,700  
**= £40,000**

Equally BCMS will lose approx £40,000 in revenue, however the £20 charge will offset the actual cost to BCMS of producing the passport.

