

Summary: Intervention & Options

Department /Agency: Department for the Environment, Food and Rural Affairs	Title: Consolidation of Swine Vesicular Disease legislation through the implementation of Directives 92/119 and 2007/10	
Stage: Development stage	Version: 8	Date: 12 May 2008
Related Publications: Council Directives 92/119/EEC and 2007/10/EC		

Available to view or download at:

<http://www.defra.gov.uk/corporate/consult/svd-control/index.htm>

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What is the problem under consideration? Why is government intervention necessary?

Directive 92/119/EEC needs to be transposed into domestic legislation for Swine Vesicular Disease. Existing disease control legislation is inappropriate as it states that Foot-and-Mouth Disease legislation should be used, which has controls which are not all appropriate for Swine Vesicular Disease.

Government intervention is required to ensure that Directive 92/119/EEC is fully implemented in relation to Swine Vesicular Disease. We also need to implement the appropriate section of Directive 2007/10/EC, which is an amendment to annex 2 of Directive 92/119/EEC.

What are the policy objectives and the intended effects?

The policy objective is to produce legislation compliant with the requirements of Directive 92/119/EEC as amended in relation to Swine Vesicular Disease.

The intended effect is that our domestic legislation will be fully up to date, consistent and fit for purpose.

What policy options have been considered? Please justify any preferred option.

Maintaining current disease control legislation has been considered, however, this is not the best option as it relies on Foot-and-Mouth Disease legislation which is inappropriate, potentially confusing and not efficiently enforceable.

New legislation for the control of Swine Vesicular Disease is required as we require appropriate disease control measures to be in place and are legally obliged to fully implement Directive 92/119/EEC in relation to Swine Vesicular Disease, which will make our control procedures much clearer.

When will the policy be reviewed to establish the actual costs and benefits and the achievement of the desired effects?

Reviews will take place when the Commission decide to re-examine control procedures or following a disease outbreak the lessons learned indicates that changes need to be made to the legislation.

Ministerial Sign-off For consultation stage Impact Assessments:

I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.

Signed by the responsible Minister:

.....Date:

Summary: Analysis & Evidence

Policy Option:	Description: Consolidation of Specified Diseases and Swine Vesicular Disease legislation and full transposition of Directive 92/119/EEC
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COSTS	ANNUAL COSTS	Description and scale of key monetised costs by 'main affected groups' No on-going annual costs. There will be some costs in the form of Defra officials' time in giving effect to the Directives transposition, these are not normally quantified for inclusion in an Impact Assessment.			
	One-off (Transition) Yrs				
	£ 0.00				
	Average Annual Cost (excluding one-off)				
	£ 0.00	Total Cost (PV)	£ 0.00		
Other key non-monetised costs by 'main affected groups'					

BENEFITS	ANNUAL BENEFITS	Description and scale of key monetised benefits by 'main affected groups' Not applicable as no on-going annual costs.			
	One-off Yrs				
	£ 0.00				
	Average Annual Benefit (excluding one-off)				
	£ 0.00	Total Benefit (PV)	£ 0.00		
Other key non-monetised benefits by 'main affected groups'					
The number of different disease control legislation to control Swine Vesicular Disease will reduce, control measures will be up to date, policy will be clearer. There are no on-going costs associated with the measure itself.					

Key Assumptions/Sensitivities/Risks
 Need up to date legislation to control disease outbreaks, the transposition of Directive 92/119/EEC will help achieve this. Without revised legislation there could be increased economic and social risks of disease spreading in the event of an outbreak.

Price Base Year	Time Period Years	Net Benefit Range (NPV) £	NET BENEFIT (NPV Best estimate) £
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What is the geographic coverage of the policy/option?	England			
On what date will the policy be implemented?	December 2008			
Which organisation(s) will enforce the policy?	Local Authorities / AH			
What is the total annual cost of enforcement for these organisations?	£ 0.00			
Does enforcement comply with Hampton principles?	Yes			
Will implementation go beyond minimum EU requirements?	No			
What is the value of the proposed offsetting measure per year?	£ 0.00			
What is the value of changes in greenhouse gas emissions?	£ 0.00			
Will the proposal have a significant impact on competition?	No			
Annual cost (£-£) per organisation (excluding one-off)	Micro 0.00	Small 0.00	Medium 0.00	Large 0.00
Are any of these organisations exempt?	No	No	N/A	N/A

Impact on Admin Burdens Baseline (2005 Prices)		(Increase - Decrease)	
Increase of	£ 0.00	Decrease of	£ 0.00
		Net Impact	£ 0.00

Key: Annual costs and benefits: Constant Prices (Net) Present Value

Evidence Base (for summary sheets)

1. Proposal

1.1 Full Transposition of Council Directive 92/119/EEC in relation to Swine Vesicular Disease and transposition of 2007/10/EC which amends annex 2 of Directive 92/119/EEC.

1.2 The full transposition will be carried out by the following statutory instrument:

- The Swine Vesicular Disease Regulations 2008, made under section 2(2) of the European Communities Act 1972, will implement the control measures for this particular disease.

2. Purpose and intended effect of measures

(i) The objective:

2.1 The objective is to ensure that we have in place the best and most streamlined legislative measures to control outbreaks of Swine Vesicular Disease.

2.2 The problem is that the present legislation applies Foot-and-Mouth Disease legislation to Swine Vesicular Disease, which is not entirely appropriate for the control of Swine Vesicular Disease .

2.3 We learned from the Foot-and-Mouth Disease outbreak in 2001, how important it is to have legislation which is fit for purpose. Through this revised legislation we will be providing clarity as to our policy and producing fit for purpose legislation to be used in the event of an outbreak of disease, as well as meeting our obligation to fully implement Directive 92/119/EEC as amended in relation to Swine Vesicular Disease and the amendment Directive 2007/10/EC.

2.4 Our policy is not changing, just how the disease control requirements are presented. It meets Defra's commitment to better regulation and simplification principles. It provides clearer more effective disease control that could lead to the potential number and size of disease outbreaks to be reduced, which will minimise disruption to the livestock and related industries. Thus benefiting industry, the UK government and the wider economy in the event of a disease outbreak.

2.5 The introduction of the Swine Vesicular Disease Regulations, will meet our commitment to better regulation, as all the powers to control, and deal with Swine Vesicular Disease will be in one place. We will no longer need to rely on the Foot-and-Mouth Disease (England) Order 2006, and the following Orders will be revoked:-

- the Swine Vesicular Disease Order 1972 ;
- the Swine Vesicular Disease (Amendment) Order 1973; and the
- the Swine Vesicular Disease (Compensation) Order 1972.

(ii) The Background

2.6 Swine Vesicular Disease is an exotic animal disease, which is internationally recognised as potentially causing severe damage to the livestock industry through direct losses of susceptible animals, damage to related industries and trade. Outbreaks have to be notified to the Office International des Epizooties (OIE) and other countries refuse to accept any exports

that might pose a risk of disease spreading. International standards require the elimination of the disease and country freedom is not recognised until this has been achieved.

2.7 Swine Vesicular Disease is generally not considered to be high profile. The first outbreak of Swine Vesicular Disease in Great Britain was in 1972. Over the next ten years 532 cases involving a total of 322,081 pigs were confirmed before the disease was eradicated from this county in 1982.

2.8 Swine Vesicular Disease has persisted in Italy, where in 2002 there were 171 outbreaks of this disease, with a further 31 cases in 2003, and further outbreaks through 2004, with the last reported cases in 2005. There were two cases in Portugal in 2004 and there has been a further case in June 2007. The rest of Europe is free of Swine Vesicular Disease.

2.9 Directive 92/119/EEC also covers African Swine Fever and Bluetongue, but these diseases have since had their own Directives, which have been transposed into domestic legislation (African Swine Fever (England) Order 2003 and Bluetongue Regulations 2008). The Directive also covers other Specified Diseases such as Lumpy Skin Disease and Pest des Petits Ruminants. Further legislation is currently being considered to consolidate and revise our legislation for these diseases.

2.10 As there are approximately 4,000,000 pigs in England, it is important that appropriate legislation is in place.

The June Agricultural Survey 2007 showed the following geographical spread of pig farms in England.

Region	Holdings	Total Pigs
North East	350	85,319
North West	1,103	160,269
Yorkshire and Humber	2,104	1,238,776
East Midlands	1,268	418,436
West Midlands	1,420	235,283
East of England	1,953	1,065,986
South East (inc London)	1,964	259,321
South West	3,765	480,055
England	13,927	3,943,444

3. Options

3.1 There are two main options which have been identified:

Option 1: Continue to rely on present controls

3.2 This option is not feasible because it does not fully implement the provisions of Directive 92/119/EEC and is not a transparent or effective way of implementing disease control policy and would leave us in breach of our legal duties and open to challenge.

3.3 The Swine Vesicular Disease Order 1972, states that Foot-and-Mouth Disease legislation would be used to control Swine Vesicular Disease, however, the Foot-and-Mouth Disease (England) Order 2006, introduces new tougher controls for Foot-and-Mouth Disease, which would not be appropriate for Swine Vesicular Disease.

3.4 In addition we are required to implement Directive 2007/10/EC amending Annex 2 of 92/119/EEC and present to the Commission, thus the present situation to maintain the current status quo is not an option.

3.5 This option is not considered further, as we need to have appropriate controls for Swine Vesicular Disease.

Option 2: Transpose the Directive

3.6 By transposing Directive 92/119/EEC in relation to Swine Vesicular Disease we will be fulfilling our Community obligations. The new legislation, allows us to meet this and produce clarity as to the action, which will be taken in the event of a disease outbreak. The basic principles of disease control - notification of suspect disease, veterinary investigation, stamping out of disease on infected premises and the imposition of movement controls to reduce the risk of the spread of disease, will be much clearer than in the existing legislation. We want to achieve consistency across all the exotic notifiable diseases by reducing and consolidating legislation and ensuring standard procedures are in place wherever possible.

4. The key changes compared to existing legislation

4.1 Disease control principles remain the same, the controls are ones which have been used in the recent Foot-and-Mouth Disease, Avian influenza and Bluetongue outbreaks. They represent proportionate and fit for purpose controls building on existing successful best practice. In addition, most livestock farmers will now be familiar with them so there is nothing new or additional in the burdens they would place on the industry in the event of an outbreak.

4.2 As in the current legislation a Protection Zone will be imposed with a minimum radius of 3km around the Infected Premises and a Surveillance Zone with a minimum radius of 10km. In the Protection Zone no animal movements will be allowed except under licence, eg. movement to emergency slaughter. In both the Protection and Surveillance Zones, there will be requirements for increased levels of biosecurity on farms, cleansing and disinfection of vehicles, people and machinery moving on/off farms. Movement of animals and animal products will be prohibited, except under licence. Products from animals in these zones will be subject to treatment to ensure destruction of virus.

4.3 The controls would be more proportionate than using the existing Foot-and-Mouth Disease legislation. For example, at present there are controls over milk and sheep shearing which are not necessary in a Swine Vesicular Disease outbreak, as it is a disease of pigs. We do not want to restrict the day to day work of other non-related farming sectors; thus we want to remove unnecessary controls and only take action when it is clearly necessary.

5. Will implementation go beyond EU requirements

5.1 The draft legislation does not introduce any additional requirements above the minimum requirements outlined in Directive 92/119/EEC, thus no additional costs above this baseline, so English livestock related organisations would not be put at a competitive disadvantage compared to their European counterparts.

5.2 In the consultation exercise we are consulting on whether the legislation should include the provision for temporary control zones. These are not provided for in the Directive 92/119/EEC, however, from the reaction of stakeholders at a recent meeting on Classical Swine Fever, we believe that the industry would be keen for the Secretary of State to have such powers, as an effective tool to help control the spread of disease. It should be noted that if we were to have a suspected vesicular disease case, we would likely in the first instance suspect Foot-and-Mouth Disease, due to the similarity of the diseases and thus a temporary control zone would be implemented as per the Foot-and-Mouth Disease (England) Order 2006. Once disease is confirmed whether it be Foot-and-Mouth Disease or Swine Vesicular Disease, appropriate Protection and Surveillance Zones would be put in place, or if results were negative the temporary control zone would be lifted. Thus this is not a new policy approach, but just a

confirmation of policy already in existence for Swine Vesicular Disease as at present Foot-and-Mouth Disease legislation which has this power applies to Swine Vesicular Disease.

6. Business sectors affected

Businesses affected when there are no outbreaks of disease

6.1 The legislation has requirements that only take effect when disease is suspected or confirmed.

Businesses affected in a suspected or confirmed outbreak

6.2 Businesses will not be additionally affected by the full transposition of the Directive.

6.3 Under the new legislation the burden on business will be reduced if we have an outbreak compared to using the existing legislation, which could potentially introduce unnecessary restrictions.

6.4 As with any outbreak of exotic notifiable disease the number of businesses affected by the legislation depends on the nature of the outbreak and the animals involved. At one end of the scale an outbreak may be only on a single premises and one infected area declared with its associated movement restrictions lasting for around 30 days. Recent experience of disease control suggests that this would be the most likely scenario for an outbreak involving a small number of premises in the UK.

6.5 The types of businesses affected or potentially affected by the legislation include the commercial pig sector and related industries (meat and meat products etc), the export industry, zoos, laboratories, conservation areas, border inspection posts, quarantine stations and the agricultural supply industry (eg. feed manufactures and merchants) or other type of business that regularly visit premises where pigs are kept. Only a very few circuses in the UK have animals and there would be no significant impact on them. These are the same businesses as would be affected under existing legislation.

6.6 The livestock industry would have costs arising from movement restrictions, and in the case of free range and organic producers, there will be significant losses to the industry if they lose free range status through restrictions being imposed for more than 12 weeks. However, if disease is contained quickly this is thought unlikely. The new revised legislation does not add to this. There is also no additional administrative burden to farmers as there is no additional form filling.

6.7 Although we will still have an “open England” approach with the countryside still being open to the public, tourism may be adversely affected due to a perceived potential health risk, a cost, which is caused by the outbreak of disease itself and not the measures in the legislation. The only potential restriction is that there is the provision for the Secretary of State to close footpaths in a Protection Zone, but this will only be if a veterinary risk assessment indicates that this is necessary to reduce the risk of the spread of disease.

6.8 Animal show organisers may lose revenue if they can no longer exhibit pigs at shows and gatherings in the zones.

6.9 No direct compliance costs are anticipated for charities or voluntary organisations.

Economic benefits

Option 2 (Transpose) - Benefits

6.10 There is no economic impact unless disease is present. The revised legislation will make the control strategy clearer, ensuring that it is fit for purpose, addressing the lessons learned from recent outbreaks of disease and uses the latest scientific knowledge.

6.11 The ability to impose movement controls on suspicion or confirmation of disease allows the extent of potential disease spread to be assessed whilst preventing it spreading any further. The cost of not moving anything for a short time pending official investigation is insignificant. The measures provide the potential for easier containment of the disease, fewer animals to be slaughtered and fewer premises to be placed under restriction. By applying appropriate restrictions this allows industry to continue operating where possible during an outbreak.

Social benefits

6.12 A controlled disease outbreak limits the stress and psychological trauma on farmers and others in the livestock industry. This includes those whose farms are infected and those who are worried that infection may reach their farm or that their businesses will be affected.

7. Costs

(i) Compliance costs to business

Costs when there are no outbreaks of disease

7.1 When we are disease free there is no impact on businesses and thus no costs to industry.

Costs in a suspected or confirmed outbreak of Disease

Option 2 – Transpose the Directive

7.2 Current legislation already imposes costs on businesses in the event of a suspected or confirmed case of disease and these would continue under the new legislation. Costs are difficult to quantify and depend very much on the nature of the outbreak. As well as the cost of the loss of pigs if disease is confirmed and the restriction on movements, there may be costs in housing and isolating pigs, cleansing and disinfecting holdings and additional requirements for biosecurity of vehicles. Controls over a suspect case would be of limited duration, but may nevertheless have some cost impact, but would remain the same as they are at present. The range of different scenarios for a confirmed case of disease is wide. A confirmed case of disease contained on one holding would impose restrictions on pigs and livestock premises in a 10 km zone for a minimum of 30 days after the infected holding had undertaken preliminary cleansing and disinfection plus wider controls (see paragraph 7.5 below). At the other end of the scale would be rapid spread of disease across the country with multiple infected areas. Examples of anticipated costs for a Swine Vesicular Disease outbreak can be found in Annex 1. This illustrates the costs for infected premises and other costs due to setting up Protection and Surveillance Zones.

7.3 The transposition reduces the costs to some businesses, by removing unnecessary controls for Swine Vesicular Disease.

7.4 The new legislation maintains the current compensation arrangements as detailed in the Swine Vesicular Disease (Compensation) Order 1972, with compensation payable for healthy animals that are compulsorily slaughtered for disease control purposes. It is not payable for consequential losses or indirect losses to business during an outbreak.

7.5 Movement controls have the potential to impact on producer profits because of increased costs associated with keeping or losing excess stock and suboptimal marketing leading to lower prices.

7.6 Increased biosecurity requirements, during an outbreak, would generate costs; however, these are the same as at present and the benefits of this as a disease control measure significantly outweigh any costs.

7.7 There is also the benefit to stakeholders in that legislation for Swine Vesicular Disease will be up to date and much clearer.

(ii) Other costs

a. Costs to consumers

7.8 As with the existing legislation there are unlikely to be significant costs to consumers. The costs to businesses are not great, and therefore prices are unlikely to rise. Product choice would also remain largely unaffected because supermarkets are likely to counteract any supply shortages by increasing imports.

b. Costs to the public sector

Costs to the public sector when there are no outbreaks of disease

7.9 There will be no costs to the public sector when there are no outbreaks of disease.

Costs to the public sector in a suspected or confirmed outbreak

7.10 The legislation incurs costs for the public sector in a suspected or confirmed case of disease. The legislation can be enforced using existing systems to minimise the administrative burden imposed and annual costs for the different organisations will remain the same. The amount would depend on the nature of the outbreak and the extent that it has spread. Consolidated legislation fully transposing the Directive will be easier for public sector staff such as Defra officials, Animal Health and Local Authorities to enforce, there is no significant increase in administrative burdens to the regulators as the legislation will be in one place, easily implemented and easily enforced, in fact this should reduce time spent and thus reduces administrative burdens, for example, the time spent on serving notices on infected premises will remain the same, but the time spent explaining the policy should reduce.

The UK Government is already committed to expenditure in an outbreak of disease including:

- Payment of compensation for healthy animals that are slaughtered for disease control purposes under the Animal Health Act 1981;
- Slaughtering of animals for disease control purposes and disposal costs for these animals;
- Surveillance and monitoring by Animal Health in the infected area and undertaking epidemiological tracings;
- Administrative costs such as implementing Declarations, running disease control centres and setting up a communications programme;
- Official supervision and monitoring of cleansing and disinfection of premises and vehicles.

c. Expected environmental and social costs

7.11 There would be no additional costs in disposing of carcasses and other contaminated materials and treating waste waters, as the new legislation makes no changes in this area.

(iii) Issues of equity and fairness including distributional issues

7.12 The new legislation is a significant improvement over the existing controls in terms that it can be seen as providing control measures which are a proportionate response to Swine Vesicular Disease.

8 Outcome of other Impact Tests

a. Legal Aid

8.1 The proposal does not create new criminal sanctions or civil penalties.

b. Carbon Impact Assessment

8.2 The proposal will have no effect on carbon / greenhouse gas emissions, as the nature and scale of the livestock and related industries remain the same. There will be individual winners and losers in terms of increased or reduced trade opportunities when there is a disease outbreak, and therefore some change to the carbon footprint of individual businesses, but the overall impact for the industry as a whole is unlikely to alter substantially.

c. Other Environmental Issues

8.3 The policy is not changing, just how the disease control requirements are presented. The proposal has no implications in relation to climate change, waste management, landscapes, water and floods, habitat and wildlife or noise pollution.

d. Health Impact Assessment

8.4 The proposal will not directly impact on human health or well being and will not result in health inequalities. There will be indirect benefits, as the effective control of disease, will lead to restrictions being in place for a shorter period, reducing stress on farmers and leading to the continued availability of animal products.

e. Race /Disability/Gender

8.5 There are no limitations on meeting the requirements of the proposal on the grounds of race, disability or gender. The proposal does not impose any restriction or involve any requirement which a person of a particular racial background, disability or gender would find difficult to comply with. Conditions apply equally to all individuals and businesses involved in the activities covered by the proposal.

f. Human Rights

8.6 The proposal is consistent with the Human Rights Act 1998.

g. Rural Proofing

8.7 The majority of producers and many suppliers are based in rural areas and the proposal is designed to facilitate their activities. The policy does impact the rural community as there will be controls to prevent the spread of disease, but these are basically the same as current legislation.

h. Small Firms Impact Test

8.8 In the event of a suspected or confirmed outbreak of disease, the proposal will affect small businesses, but to no greater degree than at present. The degree of consultation with representative groups that was undertaken when the Directive was negotiated is unknown, but a full consultation exercise will be undertaken during the consolidation process.

9. Competition Assessment

9.1 The proposals are unlikely to have negative impacts on competition unless disease is confirmed (and even then it will have minimal impact on consumers). The revised legislation applies equally to all new and existing businesses and is similar to existing requirements for other serious diseases of livestock.

9.2 The legislation would be likely to have only a minor impact on competition in the markets directly affected by it. The major markets affected include the European markets for pig meat as well as markets for the trade in live pigs. Other farm types, such as poultry or sheep holdings, may incur indirect impacts from the legislation. Furthermore, whole sectors of the rest of the rural economy, such as the tourism industry, may be indirectly affected.

9.3 Of the markets directly affected by the legislation, all are characterised by low levels of concentration; no firm has 20% market share and no three have 50%. The legislation would affect some firms substantially more than others. The shocks to supply would not be due to competitive distortions.

9.4 The legislation would have a temporary impact on the market structure if a disease outbreak occurred, reducing the number of meat and animal suppliers. There would be no extra set-up or ongoing costs for new entrants to meet compared to existing firms. Firms' ability to choose the price, quality, range and location of their products would be affected. However, English consumers are not expected to suffer as a result of this, since substitution to imports or other non-affected meat, such as poultry, will be possible eg. production of cattle, sheep and pigs fell in 2001 during the FMD outbreak, whereas the volume of poultry meat production rose by 3.4%.

10. Enforcement and Sanctions

10.1 In the event of a disease outbreak, Animal Health and Local Authorities would enforce the legislation as they do at present; there are no significant new burdens on these enforcement agencies.

10.2 During an outbreak, any additional burdens on the farming industry would, generally, be no greater than under existing legislation.

10.3 The EU Commission has responsibility for monitoring enforcement by member states in order to ensure uniform application of EU legislation.

10.4 The effectiveness of UK enforcement procedures is kept under ongoing review. Any evidence of failure to enforce by other Member States is drawn to the attention of the Commission.

11. Monitoring and review

11.1 Monitoring of the effectiveness of the legislation will arise from regular National Contingency Plan reviews and lessons learned following an outbreak of disease. The legislation will also be reviewed if any further Commission Directives or Decisions are made.

12. Consultation

12.1 The Devolved Administrations would not have been consulted during the negotiation of Directive 119/92/EEC, as they were not in existence. However, we have worked closely with them during the consolidation / transposition phase and they will be implementing similar legislation.

12.2 A public consultation exercise will be undertaken on the legislative plans for implementation in all parts of Great Britain.

13. Summary

13.1 We recommend Option 2, the full transposition of Directive 92/119/EEC as amended, as this includes all the essential measures for the control of Swine Vesicular Disease, which for relatively low cost provides net benefits to industry in terms of controlling the spread of disease. This approach is in line with our disease control strategies for other exotic notifiable diseases.

13.2 The new legislation is in line with better regulation and Hampton principles, producing user-friendly legislation, which delivers clearly defined policy by transposing Directive 92/119/EEC into domestic legislation.

Specific Impact Tests: Checklist

Use the table below to demonstrate how broadly you have considered the potential impacts of your policy options.

Ensure that the results of any tests that impact on the cost-benefit analysis are contained within the main evidence base; other results may be annexed.

Type of testing undertaken	<i>Results in Evidence Base?</i>	<i>Results annexed?</i>
Competition Assessment	Yes	No
Small Firms Impact Test	Yes	No
Legal Aid	Yes	No
Sustainable Development	Yes	No
Carbon Assessment	Yes	No
Other Environment	Yes	No
Health Impact Assessment	Yes	No
Race Equality	Yes	No
Disability Equality	Yes	No
Gender Equality	Yes	No
Human Rights	Yes	No
Rural Proofing	Yes	No

Annexes

Annex 1 – Outbreak scenarios and related costs

Introduction

1. The costs of an outbreak of Swine Vesicular Disease would depend on the nature and scale of the outbreak. The range could extend from an isolated case in imported animals to an outbreak that persisted. To demonstrate the sort of cost that might be involved beyond zero impact, we have provided estimates for two scenarios, a relatively controlled outbreak in East Anglia and a much larger outbreak in Humberside, an area of high pig density.

2. The scenarios look at a range of costs that keepers can face as a result of the control arrangements imposed by the proposed legislation. These examples are for illustrative purposes and do not consider costs faced by the supply industries or other parts of the food chain such as abattoirs, food processors or distributors. It also does not cover the compensation arrangements for animals slaughtered under statutory disease control provisions.

3. The costs which would occur as a result of animal disease controls will depend on the circumstances of a particular site. Over the period of movement restrictions (minimum of six to eight weeks if only one farm infected) the producer must continue to look after the welfare of the pigs. Young pigs will continue to grow. The farmer may well end up looking after larger pigs, which the farm was never intended to house due to the movement restrictions. In the actual situation the producer must make a decision on the rate of feeding and this will depend on a number of factors including the current size and condition of the pigs, the expectations which the producer has concerning the length of the restriction period and the genetic makeup of his stock. The figures produced in this annex should therefore be viewed as illustrative.

Controlled outbreak scenario

4. We have assumed that:

- 16 farms are infected in East Anglia; pigs on the infected premises are slaughtered and compensation paid. Dangerous contacts on 13 farms (including pig premises within 1 km) are also slaughtered;
- 3 infected areas are declared which include a total of 98 further pig farms;
- each farm has an average of 2,500 pigs;
- restrictions are in place for a total of 16 weeks but farmers can resume earning income on pigs going to slaughter after 30 days. We have assumed 60% would be destined for slaughter.
- initially pigs destined for slaughter under movement restrictions will gain weight and value. After the first two weeks, the costs of maintaining a pig are greater

than the increase in value. The pig gradually decreases in value. The total loss of each animal over 30 days is estimated at £12.20 per head;

- breeding stock can not be moved. Sows must be fed but are not producing piglets for sale. Restrictions would also apply to semen and other germplasm;
- on infected premises trading resumes 80 days after disease has been confirmed. This period allows time for checking sentinel pigs.

Scenario 1: Controlled outbreak: (East Anglia): estimated costs for pig keepers	Costs £
1. Infected premises	
Cleansing and disinfection on 16 holdings plus 13 contact holdings @ £17,000 per holding ¹	- 493,000
Keeping records for SVD (2 hours @ £16.23 per hour) ²	- 942
Movement of animals to isolation on 29 holdings (one off movement taking 2 hours @ £16.23 per hour)	- 942
Waiting time (80 days) – net loss of income ³	- 184,329
2. Protection and surveillance zones Non-infected farms under restrictions 98 non-infected farms with average 2,500 pigs per holding.	
Loss of value of pigs destined for slaughter (60% of total under restrictions estimated at £12.20 per pig) ⁴	- 1,793,400
Loss of income from movement restrictions on breeding pigs	- negligible ⁵
Loss of income from movement restrictions on germplasm.	- negligible ⁶

¹ Cleansing and disinfection costs obtained from work done by IBM for Defra on risk from different animal diseases. A figure of £17,000 per premises for C & D for pig diseases was calculated.

² The hourly wage rate used is the owner/family member rate of £16.23 from the Standard Cost Model Wage Rates.

³ based on the average family farm income for specialist pigs for the year 2006/07 of £29,000 (at current prices) (80 days of this multiplied by 29).

⁴ ESD paper on costs to farmers of animal disease controls.

⁵ Defra does not have any up to date information on this. However, it has been estimated that 0.114% moves between Nov.2002 and April 2003 were for breeding purposes.

⁶ Defra does not have any up to date information on this. However, for example there were 39 export health certificate applications received for 2003. 1,201 semen straws exported. No ova or embryos.

Worst case scenario

5. We have assumed that:

- 429 farms are infected or have been in contact with infected animals in Humberside;
- the infected area covers 60km. A further 371 pig farms fall within this area;
- each farm has an average of 3,300 pigs;
- the protection and surveillance zones would remain in force for 12 months;
- farmers in the infected area can resume earning income from pigs destined for slaughter after 30 days. Where, because of further outbreaks of Swine Vesicular Disease, a protection and surveillance zone is maintained beyond 30 days, the Directive allows movements of pigs off a holding to slaughter subject to certain conditions. We have assumed 60% of pigs are destined for slaughter. The total loss of each animal over the initial 30 day period is estimated at £12.20 per head;
- breeding stock cannot be moved. Sows must be fed but are not producing piglets for sale. Restrictions would also apply to semen and other germplasm;
- on infected premises trading (within the parameters of the infected area) resumes 80 days after disease has been confirmed. This period allows time for checking sentinel pigs.

Scenario 2: Worst case: (Humberside): estimated costs for pig keepers	Costs £
1. Infected premises	
Cleansing and disinfection on 429 holdings @ £17,000 per holding	- 7,293,000
Keeping records for CSF (2 hours @ £16.23 per hour)	- 13,925
Movement of animals to isolation on 429 holdings (one off movement taking 2 hours @ £16.23 per hour)	- 13,925
Waiting time (80 days) - net loss of	- 2,726,795

income ⁷	
2. Protection and surveillance zones 371 non-infected farms under restrictions – average 3,300 pigs per holding	
Loss of value of 60% pigs destined for slaughter estimated at £12.20 per pig ⁸	- 8,961,876
Loss of value of pigs destined for slaughter due to heat treatment of meat (estimated at £35.70 per pig) and loss of export markets (£3.50 per pig)	- 28,795,536
Loss of income from movement restrictions on breeding pigs	- negligible ⁹
Loss of income from movement restrictions on germplasm.	- negligible ¹⁰

⁷ based on the average family farm income for specialist pigs for the year 2006/07 of £29,000 (at current prices) (80 days of this multiplied by 429).

⁸ ESD paper on costs to farmers of animal disease controls.

⁹ Defra does not have any up to date information on this. However, it has been estimated that 0.114% moves between Nov.2002 and April 2003 were for breeding purposes.

¹⁰ Defra does not have any up to date information on this. However, for example there were 39 export health certificate applications received for 2003. 1,201 semen straws exported. No ova or embryos.