

<b>Title:</b> Impact Assessment of Zootechnical Standards (England) Regulations 2012 IA No: Defra0120  <b>Lead department or agency:</b> Defra  <b>Other departments or agencies:</b>	<b>Impact Assessment (IA)</b>
	<b>Date:</b> 19/09/2012
	<b>Stage:</b> Final
	<b>Source of intervention:</b> EU
	<b>Type of measure:</b> Secondary legislation
<b>Contact for enquiries:</b> Bill Lyons. Tel: 0207 238 6723. Email: Bill.Lyons@defra.gsi.gov.uk	
<b>Summary: Intervention and Options</b>	<b>RPC Opinion: AMBER</b>

Cost of Preferred (or more likely) Option			
Total Net Present Value	Business Net Present Value	Net cost to business per year (EANCB on 2009 prices)	In scope of One-In, Measure qualifies as One-Out?
£m 0.2695	£m 0.0313	£m 0.0313	Yes   OUT

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

The Zootechnical Standards Regulations 1992 require revision in order to implement four European Commission Decisions: 2007/371/EC, 2006/427/EC, 2005/379/EC, and 2005/375/EC, and Council Directive 94/28/EC as amended by Council Directive 2008/73/EC. These amend the legislative framework that protects breeds and facilitates intra-Community trade in often high value pedigree breeding animals, semen, ova and embryos. Government needs to be involved in order to enforce EU rules on how approved breed societies operate. Failure to implement the new rules domestically to meet our EU obligations leaves us open to infringement procedures and subsequent fines by the European Court of Justice.

**What are the policy objectives and the intended effects?**

Satisfactory results in animal production depend largely on the use of breeding animals of high genetic quality. The policy objective is to facilitate free trade in such animals and their genetic material, and to preserve breeds throughout the EU. There are statutory obligations under zootechnical legislation about the recognition of breed societies by Member States and the criteria to be met. The new regulations revoke and replace the Zootechnical Standards Regulations 1992 and Zootechnical Standards (Amendment) (England) Regulations 2007. They provide additional minor flexibilities and will result in a small reduction in admin burdens. Breed societies and associations are not obliged to take advantage of the flexibilities.

**What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)**

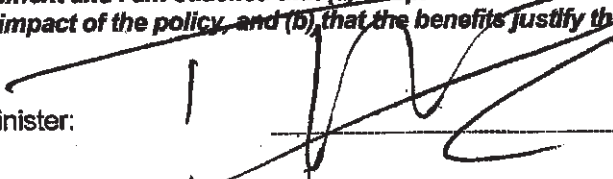
Option 1 - Do nothing and continue with our current zootechnical legislation as it is. Failure to update our domestic legislation to keep it in line with EU legislation could leave the UK open to infraction proceedings from the EU Commission and fines from the ECJ. It could also leave industry at a significant financial and reputational disadvantage against other Member States in terms of free trade within the EU.

Option 2 - Repeal and replace the current Zootechnical Standards Regulations 1992 and Zootechnical Standards (Amendment) (England) Regulations 2007 with a new set of regulations so that our legislation fully meets the requirements of EU zootechnical legislation. Option 2 is the preferred option. This is the only option which ensures that our EU obligations are met in full so that we avoid any risk of infraction proceedings. This option also delivers measures which strengthen the sector through harmonisation at EU level to break up trade barriers, and it protects individual breeds - some of which are rare breeds.

**Will the policy be reviewed? It will be reviewed. If applicable, set review date:** 10/2017

<b>Does implementation go beyond minimum EU requirements?</b>	No					
<b>Are any of these organisations in scope? If Micros not exempted set out reason in Evidence Base.</b>	<table border="1"> <tr> <td>Micro Yes</td> <td>&lt;20 Yes</td> <td>Small Yes</td> <td>Medium Yes</td> <td>Large Yes</td> </tr> </table>	Micro Yes	<20 Yes	Small Yes	Medium Yes	Large Yes
Micro Yes	<20 Yes	Small Yes	Medium Yes	Large Yes		
<b>What is the CO<sub>2</sub> equivalent change in greenhouse gas emissions? (Million tonnes CO<sub>2</sub> equivalent)</b>	<table border="1"> <tr> <td>Traded: N/A</td> <td>Non-traded: N/A</td> </tr> </table>	Traded: N/A	Non-traded: N/A			
Traded: N/A	Non-traded: N/A					

*I have read the Impact Assessment and I am satisfied that (a) it represents a fair and reasonable view of the expected costs, benefits and impact of the policy, and (b) that the benefits justify the costs.*

Signed by the responsible Minister:  Date: 19th Oct 2012

# Summary: Analysis and Evidence

Policy Option 1

Description:

Price Base Year 2011	PV Base Year 2011	Time Period Years	Net Benefit (Present Value (PV)) (£m)		
			Low: Optional	High: Optional	Best Estimate: 0

COSTS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	0	0	0
High	0	0	0
Best Estimate	0	0	0

**Description and scale of key monetised costs by 'main affected groups'**

This is the 'do nothing' option. There are no monetised costs

**Other key non-monetised costs by 'main affected groups'**

BENEFITS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	0	0	0
High	0	0	0
Best Estimate	0	0	0

**Description and scale of key monetised benefits by 'main affected groups'**

This is the 'do nothing' option. There are no monetised benefits

**Other key non-monetised benefits by 'main affected groups'**

**Key assumptions/sensitivities/risks**

Discount rate (%)

We fail to update our domestic legislation to implement EU legislation and continue to run the risk of infraction proceedings.

<b>Direct impact on business (Equivalent Annual) £m):</b>			<b>In scope of OIOO?</b>	<b>Measure qualifies as</b>
Costs: 0	Benefits: 0	Net: 0	No	NA

## Enforcement, Implementation and Wider Impacts

What is the geographic coverage of the policy/option?			England		
From what date will the policy be implemented?			31/12/2011		
Which organisation(s) will enforce the policy?			Defra		
What is the annual change in enforcement cost (£m)?			nil		
Does enforcement comply with Hampton principles?			Yes		
Does implementation go beyond minimum EU requirements?			No		
What is the CO <sub>2</sub> equivalent change in greenhouse gas emissions? (Million tonnes CO <sub>2</sub> equivalent)			Traded: N/A	Non-traded: N/A	
Does the proposal have an impact on competition?			No		
What proportion (%) of Total PV costs/benefits is directly attributable to primary legislation, if applicable?			Costs: N/A	Benefits: N/A	
Distribution of annual cost (%) by organisation size (excl. Transition) (Constant Price)	Micro	< 20	Small	Medium	Large
Are any of these organisations exempt?	No	No	No	No	No

## Specific Impact Tests: Checklist

Set out in the table below where information on any SITs undertaken as part of the analysis of the policy options can be found in the evidence base. For guidance on how to complete each test, double-click on the link for the guidance provided by the relevant department.

Please note this checklist is not intended to list each and every statutory consideration that departments should take into account when deciding which policy option to follow. It is the responsibility of departments to make sure that their duties are complied with.

Does your policy option/proposal have an impact on...?	Impact	Page ref within IA
<b>Statutory equality duties<sup>1</sup></b> <a href="#">Statutory Equality Duties Impact Test guidance</a>	No	13
<b>Economic impacts</b>		
Competition <a href="#">Competition Assessment Impact Test guidance</a>	No	13
Small firms <a href="#">Small Firms Impact Test guidance</a>	Yes	13
<b>Environmental impacts</b>		
Greenhouse gas assessment <a href="#">Greenhouse Gas Assessment Impact Test guidance</a>	No	13
Wider environmental issues <a href="#">Wider Environmental Issues Impact Test guidance</a>	Yes	13
<b>Social impacts</b>		
Health and well-being <a href="#">Health and Well-being Impact Test guidance</a>	No	13
Human rights <a href="#">Human Rights Impact Test guidance</a>	No	13
Justice system <a href="#">Justice Impact Test guidance</a>	No	13
Rural proofing <a href="#">Rural Proofing Impact Test guidance</a>	No	13
<b>Sustainable development</b> <a href="#">Sustainable Development Impact Test guidance</a>	No	13

<sup>1</sup> Public bodies including Whitehall departments are required to consider the impact of their policies and measures on race, disability and gender. It is intended to extend this consideration requirement under the Equality Act 2010 to cover age, sexual orientation, religion or belief and gender reassignment from April 2011 (to Great Britain only). The Toolkit provides advice on statutory equality duties for public authorities with a remit in Northern Ireland.

# Summary: Analysis and Evidence

# Policy Option 2

Description:

Price Base Year 2011	PV Base Year 2011	Time Period Years 10	Net Benefit (Present Value (PV)) (£m)		
			Low: Optional	High: Optional	Best Estimate: 0.2695

COSTS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	0		
High	0		
Best Estimate	0	0	0

### Description and scale of key monetised costs by 'main affected groups'

The provisions offer increased flexibilities which businesses will decide whether they want to take up. In some cases they simply reflect existing practice e.g. it is normal for semen collection and storage centres to issue pedigree certificates for intra-community trade as confirmed by contacts with industry and the Animal Health and Veterinary Laboratories Agency.

### Other key non-monetised costs by 'main affected groups'

BENEFITS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	0		
High	0		
Best Estimate	0	0.0324	0.2695

### Description and scale of key monetised benefits by 'main affected groups'

There would be a small reduction in administration burdens from the provision allowing breeders to provide pedigree information for intra-Community trade in any format rather than in the specific formats currently required. Breed societies have expressed no interest in establishing new breeds of cattle and the benefits of the legislation would become apparent only if there were equivalent separate herd books in other Member States.

### Other key non-monetised benefits by 'main affected groups'

Risks of infraction reduced for Government by bringing domestic legislation into line with EU legislation. Up to date EU legislation more clearly set out for breed societies, breed associations and breeders. UK industry will be in a stronger position to ensure that pedigree animals exported from the UK have a right of entry into equivalent pedigree herd or flock books in other EU member states.

### Key assumptions/sensitivities/risks

Discount rate (%)

3.5

#### Assumption

Breed societies and associations will want to be aware of the new legislation in the normal course of business. There is no requirement to take advantage of the minor flexibilities involved.

#### Risks

There is a risk of infraction proceedings against the UK if these regulations are not implemented. Failure to transpose the outstanding European instruments domestically could result in this course of action.

Direct impact on business (Equivalent Annual) £m):			In scope of OIOO?	Measure qualifies as
Costs: 0	Benefits: 0.0313	Net: 0.0313	Yes	NA

## Enforcement, Implementation and Wider Impacts

What is the geographic coverage of the policy/option?	England				
From what date will the policy be implemented?	31/12/2011				
Which organisation(s) will enforce the policy?	Defra				
What is the annual change in enforcement cost (£m)?	Nil				
Does enforcement comply with Hampton principles?	Yes				
Does implementation go beyond minimum EU requirements?	No				
What is the CO <sub>2</sub> equivalent change in greenhouse gas emissions? (Million tonnes CO <sub>2</sub> equivalent)	Traded: N/A		Non-traded: N/A		
Does the proposal have an impact on competition?	No				
What proportion (%) of Total PV costs/benefits is directly attributable to primary legislation, if applicable?	Costs: N/A		Benefits: N/A		
Distribution of annual cost (%) by organisation size (excl. Transition) (Constant Price)	Micro	< 20	Small	Medium	Large
Are any of these organisations exempt?	No	No	No	No	No

## Specific Impact Tests: Checklist

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<b>Environmental impacts</b>		
Greenhouse gas assessment <a href="#">Greenhouse Gas Assessment Impact Test guidance</a>	No	13
Wider environmental issues <a href="#">Wider Environmental Issues Impact Test guidance</a>	Yes	13
<b>Social impacts</b>		
Health and well-being <a href="#">Health and Well-being Impact Test guidance</a>	No	13
Human rights <a href="#">Human Rights Impact Test guidance</a>	No	13
Justice system <a href="#">Justice Impact Test guidance</a>	No	13
Rural proofing <a href="#">Rural Proofing Impact Test guidance</a>	No	13
<b>Sustainable development</b> <a href="#">Sustainable Development Impact Test guidance</a>	No	13

<sup>1</sup> Public bodies including Whitehall departments are required to consider the impact of their policies and measures on race, disability and gender. It is intended to extend this consideration requirement under the Equality Act 2010 to cover age, sexual orientation, religion or belief and gender reassignment from April 2011 (to Great Britain only). The Toolkit provides advice on statutory equality duties for public authorities with a remit in Northern Ireland.

## Evidence Base (for summary sheets) – Notes

Use this space to set out the relevant references, evidence, analysis and detailed narrative from which you have generated your policy options or proposal. Please fill in **References** section.

### References

Include the links to relevant legislation and publications, such as public impact assessments of earlier stages (e.g. Consultation, Final, Enactment) and those of the matching IN or OUTs measures.

No.	Legislation or publication
1	<a href="http://ec.europa.eu/comm/food/animal/zootechnics/legislation_en.htm">http://ec.europa.eu/comm/food/animal/zootechnics/legislation_en.htm</a>
2	
3	
4	

+ Add another row

### Evidence Base

Ensure that the information in this section provides clear evidence of the information provided in the summary pages of this form (recommended maximum of 30 pages). Complete the **Annual profile of monetised costs and benefits** (transition and recurring) below over the life of the preferred policy (use the spreadsheet attached if the period is longer than 10 years).

The spreadsheet also contains an emission changes table that you will need to fill in if your measure has an impact on greenhouse gas emissions.

#### Annual profile of monetised costs and benefits\* - (£m) constant prices

	Y <sub>0</sub>	Y <sub>1</sub>	Y <sub>2</sub>	Y <sub>3</sub>	Y <sub>4</sub>	Y <sub>5</sub>	Y <sub>6</sub>	Y <sub>7</sub>	Y <sub>8</sub>	Y <sub>9</sub>
<b>Transition costs</b>	0	0	0	0	0	0	0	0	0	0
<b>Annual recurring cost</b>	0	0	0	0	0	0	0	0	0	0
<b>Total annual costs</b>	0	0	0	0	0	0	0	0	0	0
<b>Transition benefits</b>										
<b>Annual recurring benefits</b>		0.0324	0.0324	0.0324	0.0324	0.0324	0.0324	0.0324	0.0324	0.0324
<b>Total annual benefits</b>		0.0324	0.0324	0.0324	0.0324	0.0324	0.0324	0.0324	0.0324	0.0324

\* For non-monetised benefits please see summary pages and main evidence base section



Microsoft Office  
Excel Worksheet

# Evidence Base (for summary sheets)

## Problem under consideration

This impact assessment deals with implementing EU zootechnical legislation which concerns pedigree cattle, pigs, sheep and goats and hybrid pigs. The legislation is designed to protect breeds and to facilitate trade in pure-bred animals and their genetic material, and in hybrid pigs. It relates to Defra priorities to support and develop British farming and to help to enhance biodiversity.

The EU have introduced these new or amending zootechnical arrangements as a result of requests from Member States in the light of their breed societies and associations operational experience. These arrangements have been discussed and agreed with Member States in the EU Commissions Standing Committee on Zootechnics and possibly in other Commission Committees as well – such as the Standing Committee on the Food Chain and Animal Health. These Committees play a key role in ensuring that EU legislation is practicable and effective.

It is proposed to update our current domestic zootechnical legislation in order to implement the following four European Commission Decisions: 2007/371/EC, 2006/427/EC, 2005/379/EC and 2005/375/EC. We also need to implement Council Directive 94/28/EC as amended by Council Directive 2008/73/EC. The legislation states that member states must recognise associations or organisations (this generally, but not exclusively, means breed societies) which record pedigree breeding animals or hybrid pigs if they meet certain criteria. One of the most important of these is that they must have a herd or flock book into which details of each pure-bred animal is entered or a register for hybrid pigs. Animals may only be entered into herd or flock books or registers if they comply with certain conditions. Recognised societies must accept similar animals into their herd or flock books or registers from another Member State.

## Rationale for intervention

Intervention is required to implement the following new or amended EU zootechnical legislation. These regulations apply in England only. Separate regulations will be implemented in Scotland, Wales and Northern Ireland to their own timetables. These regulations cover pedigree cattle, pigs, sheep and goats and hybrid pigs. Equines are covered by separate domestic legislation.

The changes are:

### **1) Commission Decision 2007/371/EC amending Commission Decisions 84/247/EEC on laying down the criteria for the recognition of breeders' organisations and associations which maintain or establish herd books for pure-bred breeding bovines, and 84/419/EEC on laying down the criteria for entering cattle in herd books**

This Decision allows for the establishment of new herd books for new breeds of cattle. Previously, Commission Decision 84/419/EEC allowed only for pure-bred animals of the same breed to be entered into the main section of the herd book of a particular breed or for specific grading up arrangements. The revised legislation allows breeders to enter pure-bred cattle, or descendants of pure-bred cattle, from other breeds directly into the main section of a new herd book. The period of establishment of the new breed should be defined in the breeding programme with the agreement of the competent authority. The new breed must be assigned a name that cannot be confused with the name of an existing breed. Where an animal is entered into the new herd book and it or its parents are already registered in another existing herd book, reference to the name of the original herd book should be documented.

This Decision also allows male animals to be entered into the supplementary or grading up section of the herd book where previously only females could be entered. These animals must conform to the breed standard and may belong to the breed but have no known origin or be obtained through a crossing programme approved by the breed society. However, only a female animal may move from the supplementary section to the main section of herd book and it may only do so i.e. be registered in the main section of the herd book and thus have full pedigree pure-bred status, if its mother and maternal grandmother were registered in the supplementary section and its father and two grandfathers were registered in the main section of the herd book.

### **2) Commission Decision 2006/427/EC laying down performance monitoring methods and methods for assessing genetic value for pure-bred breeding bovines**

This Decision is a codification of previous legislation set out in Commission Decision 86/130/EEC as amended by Commission Decision 96/509/EC which has been repealed. Commission Decision 96/509/EC updated the standards set out in Decision 86/130 but has not been implemented in law in the

UK: Industry will already be using up to date international methodology as necessary such that this update in legislation is not expected to have any material effect in practice.

### **3) Commission Decision 2005/379/EC on pedigree certificates and particulars for pure-bred animals of the bovine species, their semen, ova and embryos**

This Decision relates to intra-Community trade and repeals earlier Decisions (86/404/EEC and both 88/124/EEC and 96/80/EC as amended by Commission Decision 2002/8/EC) which included model pedigree certificates. It instead sets out the details that must be included either in pedigree certificates or in other documents accompanying pedigree cattle, their semen, ova and embryos but no longer specifies how the information should be presented. It allows reference to performance data that is publically available on the internet. This Decision also incorporates the provisions in Decision 2002/8/EC that allowed methods of genetic identification providing scientific guarantees equivalent to blood group analysis (such as DNA analysis) to be used instead of blood group analysis.

The Decision also allows for pedigree certificates for intra-Community trade in semen to be issued by approved collection or storage centres and, in the case of embryos, by approved collection teams.

### **4) Commission Decision 2005/375/EC amending Decision 90/255/EEC as regards the entry of male sheep and goats into an annex to the flock book**

Previously, breeders of hardy breeds of sheep and goats where there was a lack of pedigree males could enter male animals in an annex to the flock or herd book if they were of certain breeds specified in a closed list. Progeny of these animals could be eligible for entry to the main section of the flock or herd book under certain conditions subject to prior approval by the competent authority (Defra in England). This Decision allows breed societies for hardy breeds where there is a lack of pedigree males to use in the same way any males which conform to the breed standard and are valuable for preservation of the breed.

### **5) Council Directive 94/28/EC, as amended by Council Directive 2008/73/EC, laying down the principles relating to the zootechnical and genealogical conditions applicable to imports from third countries of animals, their semen, ova and embryos, and amending Directive 77/504/EEC on pure-bred breeding animals of the bovine species**

This Directive in effect requires that an animal imported from a non-EU Member State, or an animal that results from imported genetic material, is only included in the main section of a UK herd or flock book if it is certified as deriving from pedigree animals by a body operating to the same standards as EU bodies approved under EU Zootechnical legislation. The list of approved bodies which are in Argentina, Canada, Iceland, Israel, New Zealand and the United States of America is published by the Commission at [http://ec.europa.eu/food/animal/zootechnics/approved\\_bodies\\_3rd\\_countries\\_en.htm](http://ec.europa.eu/food/animal/zootechnics/approved_bodies_3rd_countries_en.htm)

For completeness, Council Directive 2008/73/EC also requires Member States to publish up to date lists of approved breed societies or associations and Commission Decision 2009/712/EC sets out how the information should appear on the internet. These arrangements have been implemented administratively. Lists of approved breed societies and associations in the UK are available at: <http://archive.defra.gov.uk/foodfarm/policy/zootechnic/index.htm>

#### **Policy objective and intended effect**

The policy objective is to implement EU legislation that has not been implemented to date, in line with our EU obligations, and to take advantage of the small additional flexibilities that have been agreed. These flexibilities have been requested by Member States as a result of experience in operating the rules as they were.

Government needs to be involved in zootechnics because there is an EU obligation to recognise of breed societies or associations that meet specific criteria. The UK pedigree livestock industry would lose out because our pedigree animals would have no right of entry into the equivalent pedigree herd or flock books in other Member States and those wishing to export to third countries could find it more difficult to do so without formal recognition of breed societies or associations by the competent authority. In addition, EU legislation helps to conserve breeds by setting rules for entry of animals into the main section of herd or flock books. If the Government did not meet EU obligations in this field, it would be open to infraction procedures.

Zootechnical legislation covers horses, cattle, pigs, sheep and goats. The EU legislation is similar, but not identical, for all species. These new domestic regulations encompass cattle, pigs, sheep and goats. Equines are dealt with under separate domestic legislation.

#### **Options considered**



- 1) Do nothing – do not update existing legislation
- 2) Introduce the proposed changes.

Option 2 is the preferred option.

Option 1 – Do nothing. The do nothing option would be to not transpose the outstanding European instruments and continue with our current zootechnical legislation as it is. This would be a breach of our EU obligations and continue to leave us exposed to possible infraction proceedings by the European Commission and possible consequential fines from the European Court of Justice.

Option 2 – introduce amending regulations. The preferred option is to update our domestic zootechnical legislation to ensure that it fully meets the requirements of European legislation. The new legislation simplifies existing requirements or provides more flexibility. It does not go beyond minimum EU requirements. The risks associated with this option are negligible. This is the only option which ensures our EU obligations are met and thereby avoids the risk of infraction proceedings against the UK.

### **Cost and benefits of the options**

#### Sectors and groups affected by the proposed new legislation:

**Breed societies and associations:** This impact assessment relates to 74 non-equine breed societies and associations (38 cattle; 7 pig; 28 sheep and 1 goat) recognised under zootechnical legislation in the UK.

**Breeders:** There are no statistics on the number of people or organisations linked to recognised cattle, goat, sheep and pig breed societies and associations. However, the UK is a major exporter of genetic material from pedigree animals and has had recent successes which provide a boost to the wider farming industry e.g. in exporting breeding pigs to China.

#### **Option 1**

##### Costs

No direct costs. However, there could be reputational and other costs to UK Government and industry if the Commission were to take action against us for failing to implement EU legislation. This could damage our reputation and both intra-Community trade and exports to third countries of pedigree animals, semen, ova and embryos.

##### Benefits

None.

#### **Option 2**

##### Costs

The only cost to Government of implementation is the resources needed to put the new legislation into place, but these can be found from within existing resources. No additional administrative burdens are involved. No burdens are imposed on breed societies and associations because they are not obliged to take advantage of the flexibilities and would not incur costs e.g. in setting up a new breed or amending pedigree certificates for intra-Community trade unless they chose to do so as a business choice. Some of the provisions that will be incorporated into the new regulations will already be being implemented e.g. the option to identify breeding bulls by means of DNA test results. We will write to all approved breed societies and associations so that they will become aware that domestic legislation has been updated in the normal course of business.

##### Benefits

The legislation supports the market for purebred animals and their genetic material and provided greater flexibility in a number of ways. The potential monetised benefits are as follows:

- setting harmonised standards for the creation of new breeds of cattle and allowing male (as well as female) animals to be entered into the supplementary (grading up) register: no monetised benefits estimated as the extent to which this change will benefit the economics of the livestock industry will depend on the number of breeds established and their impact which are not possible to estimate;
- updating performance monitoring methods and methods for assessing the genetic value of purebred breeding bovines: no monetised benefits estimated as this replaces one set of methods with another of broadly equivalent cost;
- allowing breeders to provide pedigree information for intra-Community trade in any format rather than in the specific formats currently required and allowing animals and genetic material to be identified

by DNA analysis and other methods: The Rare Breeds Survival Trust has advised that approximately 120,000 pedigree certificates are issued each year. Adopting a cautious approach [*we have sought views of breed societies as to the time saving; indications are that this could be 5 minutes per certificate but as it's such a small sample we are being cautious in our estimation*] we estimate that the new approach will enable breeders to save 1 minute per certificate. Using the standard hourly rate for farm labour of £16.20 (which includes overhead costs), this equates to a saving of £32,400 per year in total administration time;

- allowing pedigree certificates to be issued by semen collection or storage centres and, in the case of embryos, by approved collection teams: no monetised benefits estimated as this simply changes who may issue a pedigree certificate, not the cost or impact of issuing one;
- allowing hardy hill sheep and goat breed societies to use males that conform to the breed standard but do not have a pedigree certificate where there is a shortage of pedigree males with approval from the competent authority: no monetised benefits estimated as based on previous experience we expect breed societies in England to make little or no use of this provision;
- allowing pedigree animals born in third countries or derived from genetic material originating in third countries to enter herd or flock books run by breed societies or associations in England but only if they qualify for entry in herd or flock books run by an approved body in a third country. The list of approved bodies is published by the European Commission: no monetised benefits estimated as it is not possible to estimate the frequency of take up or impact on individual breeds.

We avoid the risk of infraction proceedings initiated by the Commission and fines from the European Court of Justice. We also avoid potential damage to the UK's reputation and our trade if we implement EU legislation designed both to facilitate trade in high value pedigree animals and their genetic products and to conserve genetic diversity through conserving breeds. It is also easier for us to enforce EU legislation if our domestic legislation is up to date.

### **Risks and assumptions**

There is a clear risk of infraction proceedings and potential fines by the European Court of Justice if we fail to implement domestically the outstanding EU legislation identified above.

### **Administrative burden and policy savings calculation**

There is no significant administrative burden. The new Regulations will repeal and replace the Zootechnical Standards Regulations 1992 and the Zootechnical Standards (Amendment) (England) Regulations 2007. We will not be required to take any new administrative action as a result of implementing these EU measures.

There is a potential policy saving in that updating our legislation means that we close the risk of possible infraction proceedings and the policy effort that would be required should we be challenged.

### **Wider impacts**

None foreseen, other than those outlined in this Impact Assessment.

### **Enforcement**

Defra will enforce the new legislation by investigating any complaints about how breed societies or associations manage their herd or flock books, and, if need be, by commissioning an independent audit of a society's operating procedures. If necessary Defra will withdraw official approval from any breed society or association which fails to fulfil the conditions laid down by the legislation.

### **Summary and preferred option with description of implementation plan**

This IA proposes to update our current domestic zootechnical legislation in order to implement four Commission Decisions and one Council Directive which should have been implemented some time ago. They make minor technical changes to introduce more flexibility in EU zootechnical legislation for cattle, sheep and goats. There is no necessity for breed societies or associations to take advantage of the flexibilities and the revised legislation will not impose any additional burdens on breed societies or associations or Government.

This preferred option involves revoking the Zootechnical Standards Regulations 1992 and the Zootechnical Standards (Amendment) (England) Regulations 2007 and replacing them with the Zootechnical Standards (England) Regulations 2011.

By fully implementing the outstanding legislation domestically, the UK will avoid any risk of infraction proceedings, reputational damage or complaints from other Member States. This option can be seen as supporting free trade within the EU in pure-bred breeding animals and their genetic material because it would bring legislation in the UK into line with legislation in the rest of the EU.

Whilst the EU measures to be implemented are already decided and therefore we have to implement them; we have consulted contacts in an umbrella organisation (that represents the views of many UK breed societies and associations) in the initial drafting of the England domestic legislation – so a number of parties were aware of these developments at an early stage. We also performed a consultation exercise to ensure all the approved breed societies and associations were indeed aware of the requirements in EU legislation and the minor optional technical changes that will be introduced by updating our domestic legislation. We also provided societies and associations with a new guidance document setting out the requirements they must meet in a more user friendly format. In the consultation exercise we also invited the breed societies and associations to give us their views about the impacts of the changes being proposed (asking have we assessed the impacts correctly, will any new burdens occur and can they suggest alternative implementation arrangements). In all our engagement with the umbrella organisation and breed societies and associations no adverse impacts were identified.

## Annexes

Annex 1 should be used to set out the Post Implementation Review Plan as detailed below. Further annexes may be added where the Specific Impact Tests yield information relevant to an overall understanding of policy options.

### Annex 1: Post Implementation Review (PIR) Plan

A PIR should be undertaken, usually three to five years after implementation of the policy, but exceptionally a longer period may be more appropriate. If the policy is subject to a sunset clause, the review should be carried out sufficiently early that any renewal or amendment to legislation can be enacted before the expiry date. A PIR should examine the extent to which the implemented regulations have achieved their objectives, assess their costs and benefits and identify whether they are having any unintended consequences. Please set out the PIR Plan as detailed below. If there is no plan to do a PIR please provide reasons below.

**Basis of the review:** [The basis of the review could be statutory (forming part of the legislation), i.e. a sunset clause or a duty to review, or there could be a political commitment to review (PIR)];

We will review the legislation after five years to ensure that it is fit for purpose and to check whether it causes any difficulties for UK breed societies, breed associations or those who trade in pedigree breeding animals and their genetic material.

**Review objective:** [Is it intended as a proportionate check that regulation is operating as expected to tackle the problem of concern?; or as a wider exploration of the policy approach taken?; or as a link from policy objective to outcome?]

To examine whether changes in EU legislation are required in order to improve trade, mainly between EU member states but also with third countries, and in order to ensure that individual breeds are conserved in line with international obligations to protect genetic resources and our wish to protect our cultural heritage.

**Review approach and rationale:** [e.g. describe here the review approach (in-depth evaluation, scope review of monitoring data, scan of stakeholder views, etc.) and the rationale that made choosing such an approach]

Seek feedback from breed societies and associations and Defra's expert Farm Animal Genetic Resources Committee in the normal course of business

**Baseline:** [The current (baseline) position against which the change introduced by the legislation can be measured]

Option 1 will be the baseline for review if new regulations are put in place

**Success criteria:** [Criteria showing achievement of the policy objectives as set out in the final impact assessment; criteria for modifying or replacing the policy if it does not achieve its objectives]

Success will be measured by the lack of infraction proceedings, the lack of difficulties for breed societies and associations and breeders in exporting pedigree animals and genetic material, and the number of breed societies seeking recognition

**Monitoring information arrangements:** [Provide further details of the planned/existing arrangements in place that will allow a systematic collection of monitoring information for future policy review]

Monitoring is carried out through normal day-to-day business activities via routine discussions and meetings. This engagement will be documented and will help to assess whether policy objectives have been met, and identify positive and negative impacts.

**Reasons for not planning a review:** [If there is no plan to do a PIR please provide reasons here]

## **ANNEX 2: Specific Impact Tests**

### **Policy Option 1 (do nothing) and Policy Option 2 (repeal and replace current zootechnical legislation with a new set of regulations that implements EU legislation in full)**

#### Statutory Equality Duties

Race, disability and gender issues: Not applicable

We have not carried out an Equality Duties Impact Test. Neither Option 1 nor Option 2 affect any group in terms of race, disability or gender any differently from any other group.

#### Economic impacts

Competition Assessment Impact test: Not applicable

Both Option 1 and Option 2 apply to all recognised breed societies and associations and are intended to facilitate trade in pedigree animals and genetic material across EU Member States. Breed societies and associations are not obliged to seek recognition.

Small Firms Impact Test: Applicable

For both Option 1 and Option 2 there is no disproportionate impact relative to the size of the breed societies or associations.

#### Environmental impacts

Greenhouse gas assessment: Not applicable

For both Option 1 and Option 2, the legislation concerns trade in pedigree animals and their genetic material and protection of individual breeds.

Wider environmental issues: Applicable

For both Option 1 and Option 2, protection of breed identity links to the Convention on Biological Diversity and the protection of farm animal genetic resources but there are no direct impacts on the environment.

#### Social impacts

Not applicable

For both Option 1 and Option 2, the legislation concerns trade in pedigree animals and their genetic material and protection of individual breeds. The sanction is that official recognition will be withdrawn from breed societies and associations if they do not meet the standards set out in EU zootechnical legislation.

#### Sustainable development

For both Option 1 and Option 2, by keeping good order amongst breeds we will protect our genetic resources. We do not envisage that the proposed option will have a significant impact on sustainable development or on future generations.