

Title: Impact Assessment for amendment to the food hygiene legislation as regards the temperature of eggs during transport (Regulation (EC) 1020/2008) IA No: FOODSA 0087 Lead department or agency: Food Standards Agency Other departments or agencies:	Impact Assessment (IA)		
	Date: 27/06/2012		
	Stage: Final		
	Source of intervention: EU		
	Type of measure: Secondary legislation		
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Summary: Intervention and Options	RPC Opinion: RPC Opinion Status
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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?
£0m	£0m	£0m	No

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

Government intervention in this situation was necessary to allow EU Member States the flexibility to stipulate national temperature requirements for the storage and transportation of eggs after 31 December 2009.

What are the policy objectives and the intended effects?

The amendment made permanent the current arrangements (which had been temporary) whereby EU Member States have the flexibility to specify national temperature requirements for the storage and transportation of eggs in regard to the climatic conditions of each Member State. The measure will not place any burdens on industry and maintained the same level of public health protection.

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

- Do nothing.
- Support application of the amendments, which enable Member States to apply national temperature requirements to conserve the hygienic properties of the eggs, and so maintain the level of public health protection through the provision of enforcement powers for the amendments in English law. **This is the preferred option**

Will the policy be reviewed? It will be reviewed. If applicable, set review date: 10/2013					
Does implementation go beyond minimum EU requirements?			No		
Are any of these organisations in scope? If Micros not exempted set out reason in Evidence Base.	Micro Yes	< 20 Yes	Small Yes	Medium Yes	Large Yes
What is the CO ₂ equivalent change in greenhouse gas emissions? (Million tonnes CO ₂ equivalent)			Traded:		Non-traded:

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: 2 July 2012

Summary: Analysis & Evidence

Policy Option 2

Description: Support application of the amendments.

FULL ECONOMIC ASSESSMENT

Price Base Year 2008	PV Base Year 2008	Time Period Years 10	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	Optional	Optional	Optional
High	Optional	Optional	Optional
Best Estimate	£0	£0	£0

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

No additional costs were identified

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

Eggs imported from other Member States will, where appropriate, continue to be stored and transported at temperatures best suited to assure optimal conservation of their hygiene properties in the originating Member State, which will benefit UK consumers.

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

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

None identified

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

None identified

Key assumptions/sensitivities/risks

Discount rate (%)

Assume that the change will not impact on UK egg producers, because no temperature requirements beyond the requirements in the main Regulation are in force in the UK.

BUSINESS ASSESSMENT (Option 2)

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

Evidence Base (for summary sheets)

Problem under consideration

1. Food can pose a risk to human health if it is not produced, manufactured and handled hygienically.
2. In general, consumers cannot observe the production, manufacturing or handling processes of foodstuffs. Food safety hazards in foodstuffs tend to be microscopic or otherwise not observable, and so not readily identifiable by consumers. In most cases it is not possible for food business operators to credibly inform consumers of the degree to which risk in foodstuffs has been minimised. This information asymmetry implies a benefit from government intervention to require hygiene standards of food business operators.
3. In order to address this information asymmetry and protect human health, hygiene standards are set out in EU legislation. In this case, hygiene standards specify the temperature at which eggs may be transported. However, to be efficient these hygiene controls need to be proportionate to the risk with all the costs of compliance fully justified by the benefits, so the flexibility is needed to set a temperature that is appropriate to the climate of each country.

Intended effect

4. Regulation (EC)1020/2008 allows individual Member States to continue to specify existing national temperature requirements with regard to climatic conditions which prevail in that Member State for the storage and transportation of eggs, where this may be considered necessary 'to maintain the eggs in the most hygienic condition' as required by Regulation (EC) 853/2004. This maintains the current level of public health protection.

Background

5. EU food hygiene regulations (including Regulation (EC) 853/2004), which applied from 1 January 2006, require eggs to be "stored and transported at a temperature, preferably constant, that is best suited to assure optimal conservation of their hygiene properties". However, those Member States which had before 1 January 2006 preferred to transport eggs under temperature requirements laid down in their own national legislation could continue to do so under Regulation (EC) 2076/2005, which allowed this on a temporary and transitional basis until 31 December 2009.
6. Regulation (EC) 1020/2008 makes permanent the transitional arrangement that allows food businesses to store and transport eggs in accordance with nationally applied temperature requirements, and repeals the temporary arrangements as set out in Regulation (EC) 2076/2005.
7. Since the implementation of Regulation (EC) 2076/2005, the use of national temperature requirements for the storage and transport of eggs has been considered further, and found not to interfere with the food safety objectives described in Regulation (EC) 853/2004. The transitional arrangements will, therefore, be made permanent by amending Regulation (EC) 853/2004.
8. No specific temperature requirements beyond the basic requirement stipulated in Regulation (EC) 853/2004 are in force in England, and the amendment does not impose any new requirements to be implemented for the storage and transportation of eggs.
9. It is possible that, if eggs are exported to other Member States, producers or wholesalers in England might need to comply with national requirements that exist in other Member States.
10. As there appears to be no increased cost or burden to the egg industry in England, there is no reason to resist the amendment in question.

History of the amendment

11. The amendment was originally issued in draft form on 8 January 2008 as SANCO/43/2008, and underwent several amendments before publication in the EU Official Journal on 18 October 2008 as Commission Regulation (EC) 1020/2008, to come into force ten days later.
12. Details of the negotiations of the legislation can be found at:
<http://www.food.gov.uk/foodindustry/regulation/europeleg/eufoodhygieneleg/histeu/>

Options

13. Description of options considered (including do nothing);

Option 1

- Do nothing – This would have allowed the temporary arrangement to lapse and would have prevented Member States from continuing to apply existing national temperature requirements for the storage and transportation of eggs beyond December 2009. This could have adversely affected the hygienic condition of eggs that could have been imported into England.

Option 2

- Support the amendment and provide for its enforcement in English law. The Regulation permits the continued use of existing national temperature controls, and enables Member States to apply such requirements that are considered appropriate, in that it allows Member States to conserve the hygienic properties of the eggs, and so maintain the current level of public health protection.

14. Option 2 is the preferred option.
15. Option 2 offers a potential, though unquantifiable, benefit to consumers in England by ensuring that eggs imported from other Member States will, where appropriate, continue to be stored and transported at temperatures best suited to assure optimal conservation of their hygiene properties in the originating Member State.

Risks and assumptions:

16. Assume that the change will not impact on UK egg producers, because no temperature requirements beyond the requirements in the main Regulation are in force in the UK.

Direct costs and benefits to business calculations (following OIOO methodology):

17. There will be no change to the enforcement regime and, therefore, no additional costs will be incurred. Local authorities will enforce the requirements as they have done for many years.
18. The recommended option is not considered to create additional cost or administrative burdens.

Monetisation

19. It was not possible to obtain monetised costs and benefits because no method would yield accurate estimates. No data on this was received from consultation responses.

Scope of moratorium exempting micro-businesses

20. The moratorium exempting micro-businesses from complying with new regulations does not apply as this is implementing European legislation which is directly applicable. One In, One Out does not apply either as no gold plating is being applied or removed.

Competition Assessment

21. This amendment should not have any implications for competition as it does not impose any new requirements on any businesses in England.

Small Firms Impact Test

22. This amendment does not adversely affect small firms, as it does not impose any new requirements on any UK businesses.

Sustainable development

23. Impacts under the three pillars of sustainable development (environmental, economic and social) have been, and continue to be, considered in the preparation of this Impact Assessment. Option 2 is the preferred option, as it offers the best consumer protection against the hygiene risks associated with eggs.

Consultation

24. Informal consultations have taken place with the British Egg Industry Council (BEIC), British Free Range Egg Producers Association (BFREPA), which represents the egg products industry in the UK, and Local Authorities Co-ordinating Organisation on Regulatory Standards (LACORS), which represented enforcement bodies in the UK (and therefore England) in 2008 and has since been wound up. There were no objections. No further comments were received on this measure as a result of the formal consultation between 31 March 2010 and 23 June 2010.

SPECIFIC IMPACT TESTS

Note: the Health and Wellbeing specific impact test is not in the list, because the whole of an FSA IA focuses on food safety in the health context.

Type of test and link to guidance (Double click on each of the headings to follow link)	Click on a box for EACH row to show if the test is relevant or not:	
	Relevant	Not relevant
Competition assessment	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Small firms impact test	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sustainability: Economic impact Social impact Environmental impact	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	
Carbon impact	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Equality impact	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Justice impact	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Rural proofing	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Human rights	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Privacy impact	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Creation of new criminal offence	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Impact on powers of entry	<input type="checkbox"/>	<input checked="" type="checkbox"/>