

WELSH GOVERNMENT INTEGRATED IMPACT ASSESSMENT

Title of proposal:	Changes to Livestock Identification, Registration and Movement Reporting Consultation
Official(s) completing the Integrated Impact Assessment (name(s) and name of team):	Animal Policy Delivery
Department:	Economy, Skills & Natural Resources
Head of Division/SRO (name):	Vicky Jones
Cabinet Secretary/Minister responsible:	Minister for Rural Affairs and North Wales and Trefnydd
Start Date:	30 September 2021

SECTION 1. WHAT ACTION IS THE WELSH GOVERNMENT CONSIDERING AND WHY?

New powers under the (UK) Agriculture Act 2020 allow the amendment of the EU regulations governing movement reporting. This provides Wales with powers to simplify the current process and improve traceability for all livestock species.

On this basis we have been actively engaging with the industry gathering views from farmers, markets, abattoirs, collection centres, breed societies and others on the implementation of Bovine EID and changes to movement reporting processes.

The results of this engagement has informed the current policy direction as outlined in our consultation, Changes to Livestock Identification, Registration and Movement Reporting.

The proposed changes are;

- Whole movement reporting – departure and destination County Parish Holdings (CPH) to be reported on all movements for all livestock
- Pre-movement reporting – all livestock movements to be reported before animals leave the departure holding (all species)
- Paperless movements and registration
- Online herd/flock register facility for all species
- Journey information – mandatory recording of journey and transport information on all movement reporting for all species
- Show and event movements – development of a circular movement reporting process for all species moving to & from showgrounds
- Pig identification and traceability

In addition, EU regulations require the introduction of bovine EID within a transition period of 5 years from adoption. Although we have now left the European Union, we must continue to adhere to some EU regulations to allow the free movement of goods, and this includes the implementation of bovine EID. Bovine EID will require cattle to be electronically identified with an ear tag containing an electronic chip. This will require a new reserved colour for a Bovine EID tag and a new numbering system.

Long term

- ◆ *What long term trends, challenges and opportunities might affect the proposal?*

Modern farming practices are increasingly moving towards digital methods and data from the current Cattle Tracings System (CTS) that 96% of reporting transactions to CTS are completed electronically. The aim of these proposals is to increase traceability by encouraging the use of electronic movement reporting in advance of the animal leaving the holding, potentially removing the use of paper.

A current barrier for livestock movement reporting is the legislative requirement is for the animals to have a paper movement document to accompany them on their journey. Subject to consultation, legislation will be amended and will enable the electronic registration and movement reporting of all livestock.

- ◆ *How does the proposal prevent / mitigate the bad effects in these trends or facilitate / make the most of the good effects?*

Our aim is for the regulatory proposals to support the agriculture sector to enable a more prosperous and resilient future for the industry, whilst remaining flexible enough to support the transition to long term digital provision for all.

We will aim to facilitate interactive training on the new proposals for all sectors of the farming industry.

Prevention

- ◆ *How does the proposal support the breaking of negative cycles such as poverty, poor health, environmental damage and loss of biodiversity?*

Whilst the industry considers the current livestock traceability regime to be adequate, we believe that improvements can be made in order to make the current processes more accurate and faster by reducing processing time, errors and administrative burden via EID reading and electronic reporting.

Specific changes such as whole movement reporting and pre movement reporting will increase the traceability of animals and provide greater food security whilst the removal of paper movement documents would reduce the environmental impacts.

- ◆ *Does the proposal treat a symptom or the underlying cause? If so how? If it treats a symptom, what can be done about the underlying cause?*

The proposals will facilitate the electronic reporting of all livestock movements to the EIDCymru. This will mean better and faster traceability of infected animals and/or infected food, which will allow us to react rapidly and fend off any future potential risks to the food chain.

- ◆ *How could the proposal minimise its own negative impacts e.g. minimising waste and resource use, emissions and impact on air quality, negative impact on social / community cohesion?*

The implementation of proposed livestock reporting changes will strengthen the current traceability system for livestock and food products making it faster and more accurate. The aim is to bring benefits to farmers and other stakeholders as it will reduce the administrative burden through the simplification of the current administrative procedures. Our aim is to enhance food safety and safeguard animal health.

Integration

- ◆ *How could this proposal connect and contribute to different public policy agendas and generate multiple benefits e.g. how can a transport project support improvements in health, culture or worklessness?*

The proposals in the consultation aim to ensure full traceability and improved disease control. There is a large movement of livestock across the Welsh border therefore we are working closely with other UK administrations to ensure that where possible, policy and timescales will be aligned to ensure there are minimal impacts for cross border trade and livestock movements.

- ◆ *What practical steps have you taken to integrate your proposal with the Programme for Government, well-being objectives and plans, as well as those of other public bodies and Public Service Boards, to maximise the proposal's contribution across the seven well-being goals?*

Consideration has been made on how our proposals could impact upon each of the well-being goals, and on the implications for the Welsh agriculture industry as a whole together with public bodies within Wales and wider.

We have engaged extensively with the industry, local authorities, abattoirs and livestock markets, Defra and Devolved Administrations, breed societies to judge the validity of the proposals from all sectors.

From launch of the consultation there will be further engagement with extensive plans for training and guidance when the new arrangements come into force.

Collaboration

- ◆ *Who are the partners that have a shared interest in this proposal?*

We have been working in partnership with the industry via our Livestock Identification Advisory Group (LIDAG) and both industry and farmer focus-groups. We intend to continue to involve these partners in delivering the proposed policy changes.

How have those partners been involved in developing the proposal and planning its delivery, and what contribution will they make to it?

LIDAG have fed into these consultation proposals during large and smaller more focused meetings, they have also provided feedback in writing. We will continue to work closely with the group to discuss the outcomes of this consultation and implement any legislative changes that are required.

Involvement

- ◆ *How have people affected by the proposal been involved in developing it?*

Since 2019, we have been engaging with the industry on our proposals and have gathered a significant amount of information from farmers, markets, abattoirs, collection centres, breed societies and others. We have visited many agricultural shows and events, held focus groups for keepers and key industry stakeholders, attended training events and seminars and work shadowed a wide range of individuals working in the livestock movement sector.

- ◆ *What matters to the people affected by the proposal and how might they be involved in its delivery?*

The consultation will seek views on how best to achieve rapid and accurate traceability with the least disruption to the industry. Following our industry engagement to date, we have consistently been asked to develop a system that works, is simple to use, provides the least administrative burden and to enable consistency and seamless data flow with cross border systems.

We would like to gain views on any barriers to these proposals as part of the consultation phase and using this information we will set up discussion groups to work through the issues

In addition to the five ways of working above, consider the following areas:

Impact

- ◆ *What are the main arguments for and against the proposal? Please refer to evidence; acknowledge significant gaps in our knowledge and describe any plans to fill them.*

The following suggestions for improvements to current systems were made within the Defra commissioned report 'Review of Livestock Identification and Traceability in the UK':

- **electronic tagging of cattle**
- **on-line recording of sheep and goat movements**
- **reduced requirements for on-farm paper records**
- removal of standstill periods outside times of disease outbreaks
- **greater use of EID to provide feedback to farmers**
- **standardisation of regulations between UK countries**
- individual identification of poultry and waterfowl

- movement recording of equines

Five of the above suggested improvements have been progressed and are included in the proposed consultation.

- ◆ *How widely have you explored these arguments through involvement and collaboration?*

We have undertaken engagement with the industry within Wales and wider, to gather views to feed into the policy proposals set out in the consultation. We will also continue to engage throughout the consultation launch and encourage responses from the whole agriculture community.

Costs and Savings

- ◆ *What will the proposal cost and how will it be funded?*

There are no direct costs arising from the consultation proposals document as the focus is a change to administrative rules and amendment of current legislation, but there will be costs associated with the implementation of Bovine EID and potential costs for some industry sectors for the transition to proposed registration and movement reporting changes however these are likely to be fairly low.

Costs and savings as a result of the proposals will be assessed as part of a Cost Benefit Analysis and Regulatory Impact Assessment which will be published alongside the legislation amendments planned for 2022.

- ◆ *How might costs be reduced through involvement and collaboration, across Welsh Government and/or with external stakeholders?*

We are working closely with other UK administrations to ensure that our policy and system timescales are aligned, to ensure that no one nation will bear more cost to their industry than their cross border counterparts.

We are also working closely with tag manufacturers, local authorities and industry groups.

- ◆ *Are there savings and how will these be realised?*

We believe there will be cost savings overall realised for the whole industry as a result of the efficiencies these changes will bring to the administrative requirements for movement reporting. The current movement reporting processes are predominantly paper based which when the electronic processes are enabled, this will remove/reduce this element of cost.

Mechanism

- ◆ *Is legislation proposed? If so you will probably need to complete a [Regulatory Impact Assessment](#). You can use the output of this Integrated Impact Assessment to help you.*

This consultation is to bring forward secondary legislation. An external Impact Report has been completed by ADAS and a formal Welsh Government Regulatory Impact Assessment will be published alongside the statutory instrument.

SECTION 8. CONCLUSION

8.1 How have people most likely to be affected by the proposal been involved in developing it?

While developing our consultation proposals, we have gathered views off a wide range of stakeholders. We have engaged with a large number of stakeholders through face to face and/or virtual meetings over the past two years. We will continue engagement throughout the consultation period.

The draft impact assessments in this document, and the proposals in the consultation, are an important part of the consultation, engagement and policy process. We welcome views on the identified impacts, the evidence presented and any areas we have not yet considered.

We regularly use our long established LIDAG stakeholder group, to allow officials to engage with stakeholders on proposals and we will continue to do so as we move through the consultation and policy implementation process.

8.2 What are the most significant impacts, positive and negative?

The key impacts of the consultation proposals are to improve livestock traceability and enable the long term resilience of agricultural businesses in Wales. We recognise the importance of any potential economic impact on the sector and different areas of Wales. These impacts are being considered separately, as part of cost benefit analysis included in the Regulatory Impact Assessment of the consultation proposals.

Bovine EID and livestock movement recording offer a number of benefits to food safety regulators, industry stakeholders, government health professionals and consumers. The types of potential wider benefits range from strengthened consumer protection that comes from food product credibility attributes that are associated with food and animal traceability, to enhanced human and animal health and welfare, including improved disease prevention.

The key benefits are:

- Better traceability for disease outbreak control.
- Good for livestock management by linking to other management and performance data.
- Saving time if read electronically (for example, TB testing would be easier if tags are read automatically, dirty EID tags can be read electronically without cleaning)
- Improving accuracy of records with less chance of error.
- Easier to handle and read when large number of animals are involved.
- Reducing paperwork.
- Efficient data transfer and accessible on phone.

There are other unquantifiable benefits including the following:

- Easy reading and better data accuracy (less errors) as a result of using EID can reduce notification time. Together with pre-movement reporting and electronic reporting, it will bring the movement recording into real-time. Improved speed, accuracy and traceability along the food supply chain will lead to improved management in case of disease outbreaks.
- EID and an effective traceability system can potentially improve the management of animal health during disease outbreaks. Rapid identification through EID and animal movement recording will improve traceability along the supply chain, which can trigger rapid responses and measures to deal with infected animals and prevent future spread of disease. This will lead to a wider public benefit of human health.
- EID and better traceability can provide trade competitive advantage relative to those that are not able to provide top level traceability assurances to customers and in managing and responding to animal disease or related outbreaks.
- EID can result in cost savings and efficiency improvement in other farm management areas, for example to monitor animal performance, management planning, medicine use, vaccination, TB testing, certification etc.

Whilst the proposals have been developed in partnership with industry stakeholders, there are potentially some negative impacts and the significant ones are:

- Paperless and pre-movement system is reliant on digital connectivity and as identified, the provision in rural Wales is limited and the service is not always consistent. Provision and processes need to be put into place for areas that have no digital coverage or for when there are temporary service issues.
- Bovine EID tags have a shorter lifetime than non-EID tags, so keepers will be required to replace these tags more frequently.
- There will be a gradual implementation of bovine EID and CPRCs will be required to accommodate handling both EID and non-EID bovines for a considerable period ahead. Voluntary implementation of the consultation reporting proposals will require CPRCs to have to accommodate both types of movement reports and dual running of systems and processes. Both the EID and potential movement reporting changes maybe time consuming and costly to these businesses.
- Paper movement documents are used for reconciliation purposes and confirming keeper and animal details, to ensure the proposals can be implemented will require on changes to market and abattoir software packages to allow the existing CPRC processes to be changed.

- Potentially the removal of passports could be seen as relaxing the current cattle movement safeguards and animals not fit for human consumption could end up in the food chain if processes are not adhered to.
- Cross border movements will have a significant impact as the Welsh Government can only control the regulation and movement reporting taking place within Wales.
- Amendments to regulations place pressure on all those involved in the industry that have to adhere to the amended regulatory requirements. This in turn can place undue stress and anxiety on individuals and their businesses.

8.3 In light of the impacts identified, how will the proposal:

- **maximise contribution to our well-being objectives and the seven well-being goals; and/or,**
- **avoid, reduce or mitigate any negative impacts?**

Feedback and responses received as part of the consultation will be used to further identify, explore and minimise any potential negative impacts of our proposals. These will be taken into account prior to the development of legislation. Ongoing engagement with the industry will further inform policy development and the impact assessment of our proposals.

8.4 How will the impact of the proposal be monitored and evaluated as it progresses and when it concludes?

When the formal consultation period ends, all the responses will be reviewed and feed into the summary of responses that will be provided to the Minister. The responses will determine if the consultation proposals are progressed and to what degree. Whilst all the proposals will be enabled on EIDCymru on a voluntary basis, the legislative amendments depend on the responses received and will require Ministerial agreement. It is envisaged that a number of the proposals will remain voluntary until the systems have had time to embed in and the industry can start to realise the benefit that the full proposals will bring. Post implementation review and evaluation of systems and policies will remain ongoing as technology and traceability developments will continue to evolve.

It is anticipated that legislative amendments will be completed by 2023 and we propose the policy requirements are to be reviewed within a suitable time period following this.

FULL IMPACT ASSESSMENTS

A. CHILDREN'S RIGHTS IMPACT ASSESSMENT

1. Describe and explain the impact of the proposal on children and young people.

The consultation proposals are regarding the recording of the registration and movements for cattle, sheep, goats, and pigs. In order to register an animal or record a movement of an animal the keeper must have a registered County Parish Holding (CPH) number. A CPH can only be allocated to persons over 18 years of age. Whilst these animals can be owned by minors and young people, they should require supervision of an adult over 16 years of age. In light of this, it is deemed that the impact on Children and Young People is extremely low.

However, the changes proposed in the consultation could lead to streamlining the livestock reporting process and reducing administrative burdens. This could in turn, lead to farming being more attractive as a career option to young people. It could also result in opportunities for young people to live and work locally, strengthening the use Welsh in rural communities, economic resilience and communities.

Wales YFC are members of our livestock advisory group and have been actively encouraged to participate in our policy proposals. During the consultation period we will specifically target this group to gain their views on the proposed changes to ensure the voices of the future farming industry are heard.

2. Explain how the proposal is likely to impact on children's rights.

This section requires an assessment, using informed judgement, of the likely impact of the proposal on children's UNCRC rights. It is vital you avoid the assumption that the intended outcomes identified above are the same as the predicted impact on children's rights.

You will need to carefully consider how the intended outcomes relate to children's rights and what impact they will have. There may be predicted impacts which are not intended outcomes from the proposal.

We have identified no negative impacts from our proposals on the rights of children under the UNCRC, therefore we will not be conducting a full CIRA.