

# Study on intra-European Union animal health certification of certain live animals

Animal Health Advisory Committee Brussels, 18 December 2017

Unit G2 Animal Health and Welfare
Directorate-General for Health and Food Safety
European Commission





# Regulation (EC) 2016/429

# Article 144 - Delegation of powers concerning the obligation of operators to ensure that animals are accompanied by an animal health certificate

- 1. The Commission shall be empowered to adopt delegated acts in accordance with Article 264 concerning:
- (a) <u>derogations from the animal health certification requirements</u> provided for in Article 143(1), for movements of kept terrestrial animals which do not pose a significant risk for the spread of a disease on account of:
  - (i) the species or categories of the kept terrestrial animals that are being moved and the listed diseases referred to in point (d) of Article 9(1) for which they are listed species;
  - (ii) the methods of keeping and the type of production of those species and categories of kept terrestrial animals;
  - (iii) the intended use of the kept terrestrial animals; or
  - (iv) the place of destination of the kept terrestrial animals; including those cases where their place of destination is in the same Member State as their place of origin but they pass through another Member State in order to reach their place of destination





# Objectives of the study

- To estimate the economic consequences for Competent Authorities (CAs) and operators of a **potential derogation** from <u>animal health certification requirements</u> for the movements between MSs of <u>cattle</u>, <u>pigs</u>, <u>sheep</u>, <u>goats</u>, <u>equidae</u>, <u>and poultry for direct slaughter</u> and for <u>day-old chicks</u>.
- Specific objectives:
  - State of play of intra-EU movements of live animals of concerned species;
  - Estimate costs of CAs and operators in selected case studies;
  - > Estimate scale of economic impact of a derogation on EU28 level.

The study did not analyse animal welfare impacts, animal health, or public health risks related to the movements of animals with or without this potential derogation from animal health certification requirements.



# Scope of the study

- Data for the period: 1/1/2009-31/12/2015
- 28 Member States
  - ➤ Data on intra-EU movements of live animals of concerned species in all 28 MSs
  - Data on costs of CAs and operators in 7 MSs selected for the case studies
    - Place of origin of high number of consignments
    - Representation of all geographical areas of the EU





### Case studies

|                     | Animal species       |                    |                     |                     |                       |                       |                   |  |  |
|---------------------|----------------------|--------------------|---------------------|---------------------|-----------------------|-----------------------|-------------------|--|--|
| Member State        | Cattle for slaughter | Pigs for slaughter | Sheep for slaughter | Goats for slaughter | Equidae for slaughter | Poultry for slaughter | Day-old<br>chicks |  |  |
| France              | Х                    | Х                  | Х                   | Х                   | Х                     | Х                     | Х                 |  |  |
| The Netherlands     | X                    | X                  | X                   | X                   |                       | X                     | X                 |  |  |
| Republic of Ireland | Х                    |                    |                     |                     |                       | Χ                     |                   |  |  |
| Spain               |                      | X                  | X                   | X                   | X                     |                       |                   |  |  |
| Romania             |                      |                    | X                   | X                   |                       | Χ                     |                   |  |  |
| Hungary             |                      |                    | X                   | X                   | X                     |                       | X                 |  |  |
| Czech Republic      | X                    |                    |                     |                     |                       | Х                     | X                 |  |  |



### Data sources

- Databases: TRACES, Eurostat, FAO
- Questionnaires sent to:
  - CAs of EU28 (26 responded)
  - CAs of the 7 case studies MSs (7 responded)
  - ➤ 103 operators in the 7 case studies MSs (27 responded\*)
  - > 7 EU branch organisations (6 responded)



<sup>\*</sup> Limited responses (13 responses from the Netherlands and 12 responses concerned day-old chicks). To be taken into account in interpreting the results.



# Methodology

- Costs at place of origin of consignment
- Only benefits/costs related to animal health certification and notification were considered
- Only first order impacts on benefits and costs of a potential derogation from animal health certification requirements were considered
  - Second order impacts (e.g. number of consignments, number of animals) assumed not to change





### Estimation of costs – current situation

| Activities in the current situation                          | Activity group      | Who performs the activity                 |   |  |  |  |
|--|---------------------|---|---|--|--|--|
|  |                     | Animals for slaughter                     | Day-old chicks                            |  |  |  |
| Collection of data for notification of movement              | Notification        | Consignor, dispatcher                     | Consignor, dispatcher                     |  |  |  |
| Application for notification                                 | Notification        | Consignor                                 | Consignor                                 |  |  |  |
| Reception by CA of movement request from applicant           | Notification        | CA  | CA  |  |  |  |
| Putting data in TRACES                                       | Notification        | Consignor (e-application)                 | Consignor (e-application)                 |  |  |  |
|  |                     | CA (other)                                | CA (other)                                |  |  |  |
| Verification of movement request from applicant              | Notification        | CA  | CA  |  |  |  |
| Validation of application                                    | Notification        | CA  | CA  |  |  |  |
| Planning visit of OV   | Animal health check | CA  | Not needed                                |  |  |  |
| Preparation visit of OV                                      | Animal health check | CA  | Not needed                                |  |  |  |
| Travel to location by OV                                     | Animal health check | CA  | Not needed                                |  |  |  |
| Animal health check at location by OV                        | Animal health check | CA  | Not needed                                |  |  |  |
| Animal loading time with the animal health check             | Loading of animals  | consignor, transporter, farmer, personnel | consignor, transporter, farmer, personnel |  |  |  |
| Preparation of certification in TRACES by OV Certification   |                     | CA  | CA  |  |  |  |
| Finalising of certification by OV                            | Certification       | CA  | CA  |  |  |  |
| Printing certificate and authenticating of certificate by OV | Certification       | CA  | CA  |  |  |  |
| Reception and filing of certificate Certification            |                     | Consignor                                 | Consignor                                 |  |  |  |



### Estimation of costs – derogation situation

| Activities in the derogation situation                       | Activity group      | Who performs the activity                 |   |  |  |  |
|--|---------------------|---|---|--|--|--|
|  |                     | Animals for slaughter                     | Day-old chicks                            |  |  |  |
| Collection of data for notification of movement              | Notification        | Consignor, dispatcher                     | Consignor, dispatcher                     |  |  |  |
| Application for notification                                 | Notification        | Consignor                                 | Consignor                                 |  |  |  |
| Reception by CA of movement request from applicant           | Notification        | CA  | CA  |  |  |  |
| Putting data in TRACES                                       | Notification        | Consignor (e-application)                 | Consignor (e-application)                 |  |  |  |
|  |                     | CA (other)                                | CA (other)                                |  |  |  |
| Verification of movement request from applicant              | Notification        | CA  | CA  |  |  |  |
| Validation of application                                    | Notification        | CA  | CA  |  |  |  |
| Planning visit of OV   | Animal health check | CA  | Not needed                                |  |  |  |
| Preparation visit of OV                                      | Animal health check | CA  | Not needed                                |  |  |  |
| Travel to location by OV                                     | Animal health check | CA  | Not needed                                |  |  |  |
| Animal health check at location by OV                        | Animal health check | CA  | Not needed                                |  |  |  |
| Animal loading time without the animal health check          | Loading of animals  | consignor, transporter, farmer, personnel | consignor, transporter, farmer, personnel |  |  |  |
| Preparation of certification in TRACES by OV                 | Certification       | CA  | CA  |  |  |  |
| Finalising of certification by OV                            | Certification       | CA  | CA  |  |  |  |
| Printing certificate and authenticating of certificate by OV | Certification       | CA  | CA  |  |  |  |
| Reception and filing of certificate                          | Certification       | Consignor                                 | Consignor                                 |  |  |  |

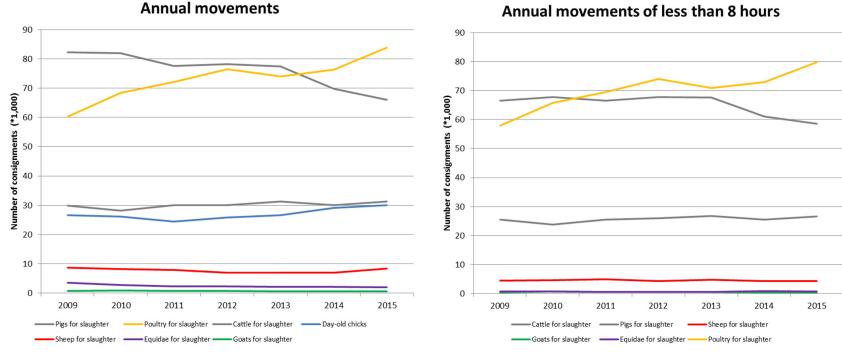


- Intra-EU movements of animals between 2009 and 2015, incl. overview of:
  - Movement trends (no of animals/consignments)
  - No. of animals reared, moved (all purposes vs slaughter)
  - Movements less than/more than 8 hours, through assembly centres, control posts
  - Refused / rejected consignments
- Cost in the current situation in the case study MSs vs Benefits and costs in a derogation situation in the case study MSs
- Net direct benefits of a derogation
- Net indirect benefits of a derogation





### Intra-EU movements 2009-2015



- Consignments 2009 -> 2015: total 212,000 to 220,000; <8 hours 155,000 to 170,000
- % for slaughter out of total for all purposes: Equidae <10%, cattle ±25%, goats ±50%, pigs/sheep ±60%, poultry ±92%
- Consignments <8 hours: Equidae 20-35%, sheep 50-70%, goats 75-80%, other >85% of total for slaughter
- <0.02% of animals for slaughter refused at origin, <0.002% rejected at destination (animal identification, diseased animals, incorrect health certificate) Food Safety



### Net direct benefits of a derogation

- CAs
  - Direct benefits: less labour animal health check and certification
  - Direct costs: lower fees
- Operators
  - Direct benefits: less labour application for certification, shorter animal loading time, lower fees
  - Direct costs: none
- Fees are not included in benefits
  - CAs indicated not to change the fee or did not yet know new fees
  - Fees transfer the cost from one stakeholder (CA) to another (operator) and thus do not influence the total costs
- Mostly saving on animal health check by OV and on certification:
   75% for CAs, 25% for operators





# EU28 net direct benefits per animal species

| Net direct benefits   |             | Total   |         |             | <8 hours |         |             | >8 hours |         |
|-----------------------|-------------|---------|---------|-------------|----------|---------|-------------|----------|---------|
| (Million €)           | Most likely | Minimum | Maximum | Most likely | Minimum  | Maximum | Most likely | Minimum  | Maximum |
| Cattle for slaughter  | 2.9         | 1.8     | 4.9     | 2.4         | 1.5      | 4.0     | 0.4         | 0.2      | 0.9     |
| Pigs for slaughter    | 8.9         | 5.3     | 12.4    | 8.1         | 4.8      | 11.2    | 0.8         | 0.5      | 1.2     |
| Sheep for slaughter   | 0.8         | 0.4     | 1.1     | 0.5         | 0.3      | 0.7     | 0.3         | 0.2      | 0.4     |
| Goats for slaughter   | 0.1         | 0.0     | 0.1     | 0.0         | 0.0      | 0.1     | 0.0         | 0.0      | 0.0     |
| Equidae for slaughter | 0.2         | 0.1     | 0.2     | 0.1         | 0.1      | 0.1     | 0.1         | 0.1      | 0.2     |
| Poultry for slaughter | 8.9         | 5.3     | 13.1    | 8.6         | 5.1      | 12.4    | 0.4         | 0.2      | 0.6     |
| Day-old chicks        | 0.7         | 0.4     | 1.1     | 0.5         | 0.3      | 0.8     | 0.2         | 0.1      | 0.3     |
| Total                 | 22.4        | 13.3    | 32.9    | 20.2        | 12.0     | 29.3    | 2.2         | 1.3      | 3.6     |

- Estimated net direct benefits €22 million/year (range €13-33)
- Highest benefits (€9 million) for pigs and poultry for slaughter
- Low benefits (<€0.2 million) for goats and equidae for slaughter</li>
- 90% benefits (€20 million) for consignments of <8 hours duration</li>
- Differences in net direct benefits between animal species and duration mostly related to number of consignments



# EU28 net direct benefits per MS

|  |            |           | × ×       |                  |             |           |        |       |
|--|------------|-----------|-----------|------------------|-------------|-----------|--------|-------|
| Member State   | Cattle for | Pigs for  | Sheep for | <b>Goats for</b> | Equidae for |           | _      | Total |
| Net direct benefits (million €)  | slaughter  | slaughter | slaughter | slaughter        | slaughter   | slaughter | chicks |       |
| Netherlands  | 0.6        | 5.1       | 0.2       | 0.0              | 0.0         | 1.8       | 0.1    | 7.8   |
| Germany  | 0.2        | 1.6       | 0.0       | 0.0              | 0.0         | 5.8       | 0.1    | 7.6   |
| France   | 0.2        | 0.4       | 0.1       | 0.0              | 0.1         | 0.3       | 0.1    | 1.2   |
| Spain  | 0.4        | 0.5       | 0.1       | 0.0              | 0.0         | 0.1       | 0.1    | 1.1   |
| Republic of Ireland  | 0.3        | 0.5       | 0.0       | 0.0              | 0.0         | 0.1       | 0.0    | 1.0   |
| Belgium  | 0.2        | 0.4       | 0.0       | 0.0              | 0.0         | 0.1       | 0.0    | 0.8   |
| Czech Republic   | 0.2        | 0.0       | 0.0       | 0.0              | 0.0         | 0.1       | 0.1    | 0.5   |
| United Kingdom   | 0.1        | 0.0       | 0.1       | 0.0              | 0.0         | 0.1       | 0.0    | 0.3   |
| Slovakia   | 0.1        | 0.0       | 0.0       | 0.0              | 0.0         | 0.1       | 0.0    | 0.3   |
| Denmark  | 0.0        | 0.1       | 0.0       | 0.0              | 0.0         | 0.1       | 0.0    | 0.3   |
| Portugal   | 0.1        | 0.1       | 0.0       | 0.0              | 0.0         | 0.0       | 0.1    | 0.2   |
| Austria  | 0.1        | 0.0       | 0.0       | 0.0              | 0.0         | 0.1       | 0.0    | 0.2   |
| Hungary  | 0.0        | 0.0       | 0.1       | 0.0              | 0.0         | 0.0       | 0.1    | 0.2   |
| Romania  | 0.0        | 0.0       | 0.1       | 0.0              | 0.0         | 0.1       | 0.0    | 0.2   |
| Luxembourg   | 0.1        | 0.0       | 0.0       | 0.0              | 0.0         | 0.0       | 0.0    | 0.2   |
| Slovenia   | 0.1        | 0.0       | 0.0       | 0.0              | 0.0         | 0.0       | 0.0    | 0.1   |
| Poland   | 0.0        | 0.0       | 0.0       | 0.0              | 0.0         | 0.0       | 0.0    | 0.1   |
| Italy  | 0.0        | 0.0       | 0.0       | 0.0              | 0.0         | 0.0       | 0.0    | 0.1   |
| Bulgaria, Croatia,<br>Cyprus, Estonia, Finland,<br>Greece, Latvia,<br>Lithuania, Malta, Sweden | 0.0        | 0.0       | 0.0       | 0.0              | 0.0         | 0.0       | 0.0    | 0.0   |
| Total  | 2.9        | 8.9       | 0.8       | 0.1              | 0.2         | 8.9       | 0.7    | 22.4  |
|  |            |           |           |                  |             |           |        |       |

- Netherlands and Germany ±35% of net direct benefits
- France, Spain, Republic of Ireland, and Belgium ±5%



### Net indirect benefits of a derogation

- Competent authorities
  - No indirect benefits and costs expected
- Operators
  - Easier planning of departure time of a consignment
  - Avoid unfavourable temperatures in a day, avoid traffic jams, shorter duration of movements
  - Better compliance with customer demanded arrival time
  - Net indirect benefits range from €1/consignment (Hungary) to €150-300/consignment (France, Netherlands)
  - Unclear to what extent these net indirect benefits/consignment can be realised by all private operators for each consignment





# EU28 net indirect benefits for operators per animal species

| Net indirect benefits<br>(million €) | Scenario 1:<br>Net indirect benefit = equivalent of<br>€1/consignment in Hungary | Scenario 2: Net indirect benefit = equivalent of €200/consignment in the Netherlands |
|--------------------------------------|--|--|
| Cattle for slaughter                 | 0.1  | 3.9  |
| Pigs for slaughter                   | 0.3  | 12.1   |
| Sheep for slaughter                  | 0.0  | 1.0  |
| Goats for slaughter                  | 0.0  | 0.1  |
| Equidae for slaughter                | 0.0  | 0.2  |
| Poultry for slaughter                | 0.3  | 13.5   |
| Day-old chicks                       | 0.1  | 4.5  |
| Total                                | 0.8  | 35.3   |

- Estimated net indirect benefits between €1 million/year (at 1 €/consignment) and €35 million/year (at €200/consignment)
- Highest net indirect benefits for pigs and poultry for slaughter, lowest for goats and equidae for slaughter





### Conclusions

#### **Direct benefits**

- Estimated net direct benefits of €22 million/year for EU28 (range €13-33)
  - 70% of net direct benefits in Netherlands and Germany (€8 million/year each)
  - 75% of net direct benefits for CAs and 25% for private operators
  - Net direct benefits of €9 million/year for pigs and poultry each
- Net direct benefits/consignment independent of duration of movement
- Net direct benefits per consignment €50-€200 for animals for slaughter and €5-€40 for day-old chicks (0.5-1.5% of estimated value of a consignment for all animal species; up to 8.0% for goats for slaughter)





### Conclusions

#### **Indirect benefits**

- Operators expect indirect benefits (range from €1 to €300/consignment), but it is unclear to what extent these can be realised
- Most CAs do not expect indirect benefits and costs due to a derogation from animal health certification requirements

#### **Direct & Indirect benefits**

- Net direct and indirect benefits very small if animal welfare check by OV at moment of departure at the location of origin of movements remains
- Net direct and indirect benefits mostly related to number of consignments per animal species and MS

# Thank you



### Links to publication:

https://publications.europa.eu/en/publication-detail/-/publication/8a766fcc-db00-11e7-a506-01aa75ed71a1/language-en/format-PDF/source-53277771

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