EXECUTIVE NOTE

THE FEED (SPECIFIED UNDESIRABLE SUBSTANCES) (SCOTLAND) REGULATIONS 2007

SSI 2007 No. 492

The above instrument is made under powers conferred by sections 66(1), 68(1) and (1A), 69(1) and (3), 70(1), 71(1), 74(1), 74A, 79(1), (2) and (9), and 84 of the Agriculture Act 1970.

Policy Objectives

1. This instrument transposes Directive 2006/77/EC, amending Annex I to Directive 2002/32 on undesirable substances. The amending Directive revises the maximum permitted levels for a range of organochlorine compounds, which are classified as undesirable substances (contaminants) in animal feeds.

2. The opportunity is also being taken to correct an omission which occurred during consolidation, relating to a sub-group of permitted protein sources consisting of two by-products from the production of amino acids by fermentation, from Schedule 6 to the Feeding Stuffs (Scotland) Regulations 2005.

Legislative Background

3. EC feed legislation includes provisions which lay down maximum permitted levels (MPLs) for certain undesirable substances in animal feed. Essentially, these are either naturally occurring environmental contaminants present at low levels in feed and food, particularly vegetable crops drawing nutrients directly from the soil, or process contaminants which may be introduced into the feedingstuff either during or as a consequence of its treatment, manufacture or storage. Examples include arsenic, cadmium, aflatoxin B1 and dioxins. The legislation which establishes these limits has been in place for many years; it was last consolidated as European Parliament and Council Directive 2002/32/EC of 7 May 2002. The MPLs prescribed in this Directive are implemented in Schedule 5 to the Feeding Stuffs (Scotland) Regulations 2005.

4. Commission Directive 2006/77/EC, which amends Directive 2002/32/EC and which these Regulations transpose into law in Scotland, revises MPLs by: setting new limits for aldrin and dieldrin, two insecticides which were prohibited from use some time ago but persist in the environment (particularly in fish oil); setting new limits for endosulphan (a pesticide found chiefly in the atmosphere, soil and sediment) in crude vegetable oil; and replacing the term “fats” by the term “fats and oils”.

5. Action to implement Commission Decision 2006/77/EC in the UK had to be deferred. This was because public consultation and transposition was delayed by the timing of elections in Scotland and Wales. The MS(PH) agreed that, to ensure a coming-into-force date for the measure in all parts of the UK, consultation should be deferred until after the Scottish and Welsh elections in May 2007. However, the public consultation

did not launch until the end of May because of the delays in forming new governments in Scotland and Wales.

Extent

6. This instrument applies to Scotland. Separate but parallel legislation will be made for England, Wales and Northern Ireland.

Policy background

7. MPLs for undesirable substances in animal feeds are an important measure to protect the feed and food chain. However, the MPLs for many undesirable substances were adopted some time ago and are in need of review in the light of recent scientific evidence and experience. The European Food Safety Authority (EFSA) has therefore been undertaking a detailed review and setting out its risk assessments in a series of published Opinions. A number of these Opinions covered a range of organochlorine compounds, chiefly pesticides, and suggested various amendments to their existing MPLs. The suggested amendments were subsequently voted on by the Standing Committee on the Food Chain and Animal Health and adopted in Commission Directive 2006/77/EC of 29 September 2006.

8. As explained in paragraph 3 above, the opportunity is also being taken via these Regulations to rectify the omission from Schedule 6 to the Feeding Stuffs (Scotland) Regulations 2005 of a sub-group of permitted protein sources. The rectification of this omission will end a disparity between the Regulations and the relevant Directive which authorised these and thus resolve any potential confusion on the part of the feed industry and enforcement authorities.

Consultation

9. The public consultation in Scotland took place between May and August 2007, and involved a range of stakeholders including industry trade associations, enforcement bodies, consumer groups and others. No responses were received.

Guidance

10. The Food Standards Agency does not consider that guidance on the new MPLs is necessary as these provisions are self-explanatory and have already been subject to public consultation. The feed industry has long established procedures in place to assist in complying with the MPLs for undesirable substances.

Impact

11. A Regulatory Impact Assessment, which provides more details of the impact of the measure, is attached at Annex 3.

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LIST OF CONSULTEES

ABP Scotland
Agriculture Industries Confederation (AIC)
AHDA
AIC Scottish Council
Allied Distillers
Alsop Transport Services
Association of Meat Inspectors
Association of Public Analysts of Scotland
Assured Chicken Production (ACP)
Barbour Index
Biotechnology and Biological Sciences Research Council
British Egg Industry Council
British Egg Products Association
British Goat Society
British Marine Finfish Association
British Poultry Council
British Trout Association
British Veterinary Association
Business Gateway
Caledonian Cheese Company
Campden & Chorleywood Food Research Association Group
Charis Innovative Food Services Ltd
Chilled Food Association Ltd
Commercial Microbiology Ltd
Co-operative Group (CWS) Ltd
CoSLA
Dairy UK – Scotland
Davidson Bros (Shotts) Ltd
Diageo
Dundee College
Edinburgh Smoked Salmon
Express Dairies Direct Service
Falkirk Council Development Services
Federation of Small Businesses Scotland
First Milk
Fisheries Research Services
Food Certification (Scotland) Ltd
Food Training and Consulting Company
FRS Marine Laboratory
Fusion Linking
Glasgow Caledonian University
Glasgow Metropolitan College
Glasgow Scientific Services
Glasgow University Veterinary School
Glengorm Estate
Glenside Organics
Grampian Country Food Group
Green City Wholefoods
Greenpeace
Greggs, Scotland
Guinness UDV
Halal Food Authority
Harbro, Scotland
Highland Cattle Society
Highlands & Islands Enterprise
Independent Farming Group Scotland
Institute of Auctioneers and Appraisers in Scotland
James Finlay Ltd
LACORS
Landcatch Ltd
Macaulay Land Research Institute
Malt Distillers Association of Scotland
Marks & Spencer
McAusland Cranford
Meat & Livestock Commission
Moray Seafood Ltd
Moredun Research Institute
Napier University
National Beef Association
National Beef Association, Scottish Council
Natural Environmental Research Council
Neogen Europe Ltd
NFU Scotland
North Atlantic Fisheries College
Organic Food Federation
Orkney Meat Ltd
Puremalt Products Ltd
Quality Meat Scotland
Quality Trout UK Ltd
Road Haulage Association Ltd
Robert Gordon University
Robert Wiseman Dairies
Rowett Research Institute
Royal Environmental Health Institute for Scotland
Royal Society of Edinburgh
ruma
Sanquhar Academy
Scotch Whisky Association

SCOTSS
Scottish Agriculture College
Scottish Association of Master Bakers
Scottish Cattle Association
Scottish Chambers of Commerce
Scottish Civic Forum
Scottish Consumer Council
Scottish Council for Development and Industry
Scottish Crofting Foundation
Scottish Crop Research Institute
Scottish Egg Producer Retailers Association
Scottish Enterprise
Scottish Environment Protection Agency
Scottish Environmental Research Centre
Scottish Federation of Meat Traders Association
Scottish Flour Millers Association
Scottish Food & Drink Federation
Scottish Food Quality Certification Ltd
Scottish Food Safety Officers Association
Scottish Gamekeepers Association
Scottish Local Authorities
Scottish Retail Consortium
Scottish Rural Property and Business Association
Scottish Salmon Producers Organisation
Scottish Salmon Smokers Association
Scottish Sea Farms Ltd
Scottish Seed & Nursery Trade Association
Scottish Water
Sea Fish Industry Authority
SEERAD
Shetland Acquculture
Shetland Seafood Quality Control
SIMBOIS
Society of CO's Environmental Health in Scotland
Spitfire Resources
Strathaird Salmon Ltd
SWRI
Tesco Stores Ltd
Trading Standards Institute
UK Association of Frozen Food Producers
UNIQ Prepared Foods
United Fish Products
University of Aberdeen
University of Glasgow
University of Paisley
USDAW
Verner Wheelock Associates
W Forrest & Sons Ltd

3 Members of the Public

THE FEED (SPECIFIED UNDESIRABLE SUBSTANCES) (SCOTLAND) REGULATIONS 2007 ("THE REGULATIONS")

TRANSPOSITION NOTE FOR COMMISSION DIRECTIVE 2006/77/EC AMENDING ANNEX I TO DIRECTIVE 2002/32/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL AS REGARDS ORGANOCHLORINE COMPOUNDS IN ANIMAL FEED("THE DIRECTIVE")

The Regulations give effect to the Directive by further amending the Feeding Stuffs (Scotland) Regulations 2005 (S.S.I. 2005/605) ("the 2005 Regulations"). The 2005 Regulations provide for enforcement and administration of Regulation (EC) No. 1831/2003, transpose Commission Directive 2004/116/EC and provide continued implementation of Council Directive 70/524/EEC, Council Directive 79/373/EEC, Council Directive 82/471/EEC, Commission Directive 82/475/EEC, Council Directive 93/74/EEC, Commission Directive 94/39/EC, Council Directive 96/25/EC, Directive 2002/32/EC and Commission Decision 2004/217/EC.

The following table demonstrates how each relevant provision of the Directive has been given effect in the Regulations:

Article	**Implementation**
Article 1 and Annex: Article 1 and the Annex to the Directive amend Annex I to Directive 2002/32/EC.	This Article is implemented by regulation 2(3) and Schedule 1 which replaces the table entries and footnotes in Chapter D of Schedule 5 to the 2005 Regulations.

FULL REGULATORY IMPACT ASSESSMENT

1. TITLE OF PROPOSAL

The Feed (Specified Undesirable Substances) (Scotland) Regulations 2007.

Implementation of:

European Commission Directive 2006/77/EC of 29 September 2006 amending Annex I to Directive 2002/32/EC of the European Parliament and of the Council as regards maximum levels for organochlorine compounds in animal feed (*Official Journal* No. L271, 30.9.2006, p.53).

2. PURPOSE AND INTENDED EFFECT OF THE MEASURE

Objectives

2.1 Commission Directive 2006/77/EC is intended to help sustain and enhance feed safety, and thus the protection of the health of human consumers of animal products as well as animal health. The measure revises the maximum permitted levels (MPLs) for a range of organochlorine compounds, chiefly pesticides, which are classified as undesirable substances (contaminants). This principally involves (a) setting new limits in relation to aldrin and dieldrin; (b) setting new limits in relation to endosulphan in crude vegetable oil; and (c) replacing the term "fats" by the term "fats and oils". These levels are to be transposed in a Schedule to the draft Feed (Specified Undesirable Substances) (Scotland) Regulations 2007.

Background

2.2 An important safeguard in the protection of animal and human health is the setting of statutory limits for undesirable substances in animal feed. European Parliament and Council Directive 2002/32, the most recent consolidation of Community legislation on undesirable substances in feeds, prohibited the dilution (through mixing with other feed materials) of consignments of feed with levels of contamination above the specified MPLs. When this Directive was adopted the European Commission agreed that these MPLs should be reviewed in the light of current experience and up-to-date scientific evidence. When reviewing these MPLs, the Commission takes into account the prohibition of any dilution.

2.3 These reviews are being conducted by a scientific panel of the European Food Safety Authority (EFSA), which produces Opinions setting out its risk assessments of a range of undesirable substances. Directive 2006/77/EC represents the adoption of some of these Opinions in Community feed law.

Rationale for Government Intervention

2.4 Feed containing a relatively high proportion of fish oil in its formulation has been found to contain significant levels of aldrin and/or dieldrin, two insecticides the use of which was prohibited some time ago but which persist in the environment. Because of higher rates of bio-accumulation in the aquatic food chain, fish derived products, particularly fish oil,

have the highest levels of these insecticides. Based on both this and available monitoring data, EFSA has recommended that there should be separate, lower, MPLs for fats and oils and fish feed than for all other feedingstuffs. A similar amendment is being made to MPLs for camphechlor, a pesticide.

2.5 Endosulphan is a pesticide found chiefly in the atmosphere, soil and sediment. Direct uptake from soil to plant as well as transport in plants is assessed by EFSA as negligible, but it is readily absorbed through the gastro-intestinal tract and distributed to the kidneys and liver and to a lesser extent to other tissues. However, scientific opinion and monitoring data suggest that it is appropriate to amend the MPLs by the addition of a new MPL for this pesticide in crude vegetable oil. This recognised that data has indicated higher concentrations of endosulphan in the oil than in the oilseeds and other products derived from oilseed processing.

2.6 Scientific opinion and available monitoring data indicate that no changes are necessary to the existing maximum levels for hexachlorocyclohexanes and endrin.

2.7 Many of the organochlorine compounds for which MPLs are set -- aldrin, dieldrin, chlordane, DDT, endrin, heptachlor, hexachlorine and hexachlorocyclohexanes (HCH) -- have separate, lower, MPLs for fats than for other feedingstuffs and feed materials. EFSA has recommended that the term "fats" in the list of feedingstuffs potentially contaminated with these substances should be replaced by the term "fats and oils". This is to indicate clearly that the MPL applies to all fats and oils, including animal fat, vegetable oils and fish oil.

2.8 In transposing Commission Directive 2006/77/EC into national law, the opportunity is also being taken to rectify the omission from Schedule 6 to the consolidated Feeding Stuffs (Scotland) Regulations 2005 of a sub-group of permitted protein sources, consisting of two by-products from the production of amino acids by fermentation. The rectification of this omission is necessary to clarify that these two amino acid by-products can legally continue to be used in animal feed. One minor typing error made during the consolidation is also being corrected.

3. CONSULTATION

Within Government

3.1 The Food Standards Agency in England, Scotland, Wales and Northern Ireland undertook separate consultations on the proposed measures. Views of Agriculture interests in the four UK administrations were sought.

Public Consultation

3.2 Key stakeholders were kept informed of developments during negotiations on the revised MPLs. The feed industry was also invited to comment on the draft Regulations to transpose these MPLs into national legislation, and to provide any supporting financial or other relevant data.

3.3 There were no responses to the public consultation in Scotland.

4. OPTIONS

4.1 There appear to be two possible options:

(a) non-implementation of the measure; or
(b) full implementation of the measure.

Non-Implementation

4.2 Non-implementation could give rise to concerns that a measure intended to enhance the safety and integrity of the feed chain and the protection of consumers and of animal health was being ignored. Non-implementation could also lead to legal proceedings against the UK in the European Court of Justice, as the terms of the measure require the implementation of all of its provisions. The costs of non-implementation would include those in respect of infraction proceedings against the UK Government, as well as any financial penalties imposed.

4.3 In addition, non-implementation could disadvantage UK feed manufacturers as their products might be perceived on export markets as not complying with EC feed law, even if they had in fact complied with the revised MPLs set out in the Directive. Consequently, this might lead to UK manufacturers losing market share in other Member States.

Full Implementation

4.4 Full implementation of the proposed measure would provide additional safeguards on feed safety and would be consistent with the UK's obligations as a member of the EU. Full implementation could also benefit UK feed producers, as they would be able to continue to sell the full range of their products on other markets in the EU.

5. COSTS AND BENEFITS

Sectors and Groups Affected

5.1 The provisions of Directive 2006/77/EC will directly affect the UK feed industry, which will need to ensure that its products comply with the amended MPLs. Quantification of this impact is difficult because the amendments are marginal and because, as a matter of routine, the feed industry will already be carrying out sampling and analysis work to ensure that its products comply with existing levels. In addition, the UK feed industry is highly fragmented and the impact of the measures will vary greatly among feed producers -- the compound feed production sector in particular is more concentrated and is dominated by two large companies.

5.2 There may be a one-off administrative cost to all businesses due to a need for each to familiarise itself with the requirements of the new legislation. Applying a standard wage rate (plus 30% overheads) derived from the annual survey conducted by the Office for National Statistics of £16.30 per hour for managers in agriculture and services to the figure for the total number of business operating in the UK feed industry -- see the figures in paragraph 8.2 below -- gives a one-off cost of £5,950. Set against the figures for annual turnover shown in paragraph 8.2, this cost appears insignificant.

5.3 The rectification of the omission from Schedule 6 to the Feeding Stuffs (Scotland) Regulations 2005 of two amino acid by-products from the list of permitted protein sources will end the disparity between the Regulations and the relevant Directive which authorised them and thus resolve any potential confusion on the part of the feed industry and enforcement authorities.

5.4 It is possible that local authorities may wish to undertake additional sampling and analysis of feed products to ensure that they comply with the new and revised MPLs, at least in the short term. The Local Authorities Coordinators of Regulatory Services (LACORS), the co-ordinating body for local authority trading standards departments, estimates the potential extra cost of this work in Scotland as £2-£3,000 per year. However, the question of whether such additional work is actually undertaken will depend on the relative priority given to enforcement of the amended levels by both local authorities themselves and the annual National Control Plan published by the Food Standards Agency, which sets out the checks it expects them to undertake. The current Plan does not include any requirement to sample for the presence of organochlorine compounds.

5.5 The provisions of the Directive, which will enhance feed safety, will also have a beneficial impact on the consumers of animal products.

5.6 Voluntary organisations and charities are unlikely to be affected by the provisions of the Directive.

5.7 In terms of race and equality, the policy will impact equally on businesses and organisations from all sectors.

Benefits

(i) Economic

5.8 Full implementation of the measure will be of direct benefit to UK manufacturers, who will be able to continue to sell their products into the feed chain in the UK and other Member States. In 2006, the value of UK exports of animal feed to Member States totalled £230 million. This was roughly 75% of the total value of UK exports of animal feed to all countries, which totalled £307 million.

5.9 Through the extension of controls on undesirable substances, there will be greater health benefits for farmed livestock and human consumers of animal products. This should provide purchasers of feed with more confidence in the products they buy, helping to promote sales by UK manufacturers. However, because the amended MPLs have been set on a precautionary basis, for scientific rather than economic reasons, it is difficult to quantify the potential benefit in financial terms.

(ii) Environmental

5.10 Full implementation of the Directive could be of some indirect benefit to the environment, as reductions in the quantities of contaminants ingested by farmed livestock and other animals would ensure reductions in the quantities subsequently excreted onto pasture land also used by wildlife. However, it is difficult to quantify this in financial terms.

(iii) Social

5.11 Full implementation of the new and revised MPLs for these undesirable substances will be advantageous for pets and their owners. Apart from potential improvements in the health of pets, their owners may benefit financially through paying less in veterinary fees. As with the potential environmental impact, it is difficult to quantify these benefits in financial terms.

5.12 Other than pet owners and their pets, most of the measures introduced by the Directives will be socially neutral, as they do not disadvantage any particular group of consumers of animal products.

Costs

(i) Economic

5.13 Full implementation could have some costs for UK feed producers in the short term because they may wish to undertake additional sampling and analysis work to ensure that their feed products conform to the amended MPLs. However, as explained in paragraph 5.1, the feed industry carries out sampling and analysis as a matter of routine to ensure that its products comply with existing levels, and the nature of the amendments means that any increases in the price of feed to livestock farmers are likely to be marginal. Livestock producers unable to pass on the higher costs to their customers could possibly be disadvantaged. In any case, the amendments will not alter the existing need for all feed business operators and users to keep sources of supply under review to ensure that potential sources of contamination are kept to a minimum.

(ii) Environmental

5.14 Non-implementation of the Directive could mean no reductions in the levels of contaminants being potentially consumed by farmed livestock, and other animals. This would lead to no decrease in the amounts of contaminants being excreted by animals onto pasture land. However, it is difficult to quantify this in financial terms.

(iii) Social

5.15 Non-implementation of the Directive would lead to no decrease in detrimental health effects for pets and thus no decrease in veterinary fees for pet owners. On a broader scale, non-implementation could be socially disadvantageous due to greater levels of undesirable substances in the feed and food chains. Once again, this is difficult to quantify in financial terms.

Sustainable Development

5.16 Sustainable development -- that is, development which meets the needs of the current generation without compromising the ability of future generations to meet their own -- encompasses consideration of environmental protection, prudent use of natural resources, social progress, economic growth and employment. The Directive in question is unlikely to have an impact on any of these considerations.

Administrative Burdens

5.17 Businesses and local authorities may incur some additional minor administrative costs in relation to sampling and analysis work, as explained in paragraphs 5.4 and 5.13.

6. SMALL FIRMS IMPACT TEST

6.1 Approximately three-quarters of the companies that manufacture animal feed claim small company status. The consultation included the Federation of Small Businesses Scotland. However, no responses were received.

6.2 Despite seeking their views, no information was forthcoming from either feed trade associations or small businesses directly on the potential impact of the measure in response to the public consultation on the draft Regulations.

7. TEST RUN OF BUSINESS FORMS

7.1 No new or additional forms will be introduced.

8. COMPETITION ASSESSMENT

8.1 Detailed information on the number, size, market share and geographical location of businesses operating in the animal feed sector is not available, as statistical data of this nature has not been collected for some years. It is therefore not possible to give an accurate picture of the sector's economic position. However, it is known that national production of compound feed is characterized by two large companies which account for approximately 50% of the sector, with the remainder accounted for by compounders that do not manufacture or distribute on a national basis but have significant capacity in certain parts of the UK, and by co-operative or farmer-controlled compounders that have other interests in addition to feed manufacture, such as wholesaling and retailing.

8.2 Information collated by the Inter-Departmental Business Register, a database of the Office of National Statistics, showed that at the start of 2006 there were 405 companies in the UK, including 25 in Scotland, recorded as engaged in the "manufacture of prepared animal feeds", with a total turnover of about £3.3 billion and total employment of about 12,000. These figures would have included firms producing pet food and feed for horses as well as feed for farmed livestock, although they exclude firms producing fish meal and oil seed cake. Other figures suggest that in 2004 one of the two large compounders referred to in the previous paragraph produced just under two million tonnes of feed, which accounted for a UK market share of 22-23%. A return from the then HM Customs and Excise for the same year showed that 70 companies had a turnover of over £5 million each, while 40 companies had turnovers of less than £50,000 each.

8.3 It should be noted that the possible marginal increases in prices arising from implementation of the Directive are unlikely to affect competition significantly in the relevant upstream markets, as these rises will tend to fall uniformly across companies and not act to raise barriers to entry significantly.

9. ENFORCEMENT, SANCTIONS AND MONITORING

9.1 Enforcement of animal feed legislation is the responsibility of local authority trading standards departments in Great Britain and the Department of Agriculture and Rural Development in Northern Ireland. Enforcement activity includes taking samples of animal feed and having them analysed for the presence of undesirable substances. In general, analyses are undertaken by accredited agricultural analysts.

Sanctions

9.2 The penalties for non-compliance with feedingstuffs legislation are set out in the Agriculture Act 1970 and in subordinate legislation made under section 2(2) of the European Communities Act 1972, namely the Feed (Hygiene and Enforcement) (Scotland) Regulations 2005. Non-compliance is to be treated as a criminal offence, and would be subject on conviction to fines and/or imprisonment.

Monitoring

9.3 The Food Standards Agency will consider proposals from stakeholders for any changes to the rules that they consider necessary in the light of experience, and the effectiveness, of the draft Regulations.

10. IMPLEMENTATION AND DELIVERY PLAN

10.1 The draft Regulations to transpose Commission Directive 2006/77/EC will apply only in Scotland. Separate but parallel Regulations will be made for England, Wales and Northern Ireland.

10.2 Guidance to the feed industry or other stakeholders on the application of the new and amended maximum permitted levels is not felt to be necessary, as it is considered that the figures themselves are straightforward and not open to misunderstanding by those who have to observe or apply them.

11. POST-IMPLEMENTATION REVIEW

11.1 The Food Standards Agency will carry out a review of the impact of the new and amended levels within a year of the Regulations coming into force. This will take the form of a further public consultation, including the feed industry and enforcement authorities. The results of this review will help inform the UK's response to further Opinions adopted by EFSA as part of its continuing review (summarised in paragraphs 2.2 and 2.3 above) of the current MPLs for undesirable substances.

12. SUMMARY AND RECOMMENDATIONS

12.1 This Regulatory Impact Assessment has identified some potential compliance benefits and costs for the feed industry and other stakeholders, at paragraphs 5.8 to 5.15 above, although the minimalist nature of some of the amendments to MPLs to be transposed means that it is difficult to estimate the precise economic or monetary impacts or to provide quantification of them. However, as indicated in the table below, non-implementation of Commission Directive 2006/77/EC may have costs to the feed industry due to loss of market share through inability to sell its products in other Member State markets, plus costs of any infraction proceedings taken by the Commission. Implementation, on the other hand, may

have some small costs to both the UK feed industry and enforcement authorities because of a perceived need to ensure that feed products conform to the amended requirements, at least in the short term, but may also have benefits to the feed industry because it will retain the ability to market its products in other EU Member States, and to the health of consumers of animal products through enhancement to feed safety.

12.2 For these reasons, the Minister is invited to sign the Feed (Specified Undesirable Substances) (Scotland) Regulations 2007 and the declaration below in respect of this Regulatory Impact Assessment.

Option	**Total Costs per annum – Economic, Social, Environmental**	**Total Benefits per annum – Economic, Social, Environmental**
1. Non-implementation	Cost of infraction proceedings (which would be ongoing), plus any financial penalties imposed (that figure would be at the Court's discretion). Possible loss of market share by UK feed producers due to doubts over compliance with MPLs.	No identifiable benefits from non-implementation.
2. Full implementation	Possible small additional costs for UK feed producers and local authorities attributable to a need to ensure that products conform to the new requirements. One-off administrative costs to businesses from a need to familiarise themselves with the new requirements.	Possible benefit for UK feed manufacturers, who will retain the ability to sell their products into other markets in the EU. Possible health benefits for consumers of animal products through enhancements to feed safety.

13. DECLARATION AND PUBLICATION

Declaration

I have read the Regulatory Impact Assessment and I am satisfied that the benefits justify the costs.

Signed by the responsible Minister _____

Date _____

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