EXECUTIVE NOTE

THE OLDER CATTLE (DISPOSAL) (SCOTLAND) REGULATIONS 2006 SSI/2006/4

POWERS

1. The above instrument was made in exercise of the powers conferred upon Scottish Ministers by section 2 (2) of the European Communities Act 1972.

PARLIAMENTARY PROCEDURE

2. This SSI is subject to negative resolution procedure.

POLICY OBJECTIVE

3. The policy objective of these regulations is to make provision for the enforcement of certain of the requirements of Commission Regulation (EC) No. 716/96 introducing a scheme allowing the UK to purchase cattle born before August 1996 and provide compensation to producers. Cattle born before August 1996 will not enter the food chain.

4. Similar regulations are being prepared in other parts of the UK.

BACKGROUND

5. Introduced in 1996 in response to the outbreak of Bovine Spongiform Encephalopathy (BSE), the Over Thirty Months (OTM) rule prevented meat from most cattle aged over 30 months at slaughter from being sold for human consumption. The purpose was to remove older animals from the human food chain because they were more likely to have developed a significant amount of BSE in their tissues.

6. The Over Thirty Months Scheme (OTMS) is a market support measure which was introduced in 1996 to provide an outlet for animals which could no longer enter the food or feed chain as a result of the OTM rule. The legal framework for the OTMS was established in Commission Regulation 716/96.

7. In 2004, the Food Standards Agency (FSA) completed a review of the OTM rule and advised Ministers that it would be acceptable on health grounds to replace the rule with rigorous testing of OTM cattle for BSE provided that no animals born before August 1996 entered the food chain. This was in line with the European Food Standards Agency opinion of April 2004, which recommended that cattle born before August 1996 be permanently excluded from the food chain. Ministers in the UK administration accepted the FSA recommendations in December 2004.

8. The move to a testing regime, which began on 7 November 2005, signalled the eventual demise of the OTMS. In May 2005, the Commission agreed to an OTMS successor scheme for animals born before August 1996. The Older Cattle Disposal Scheme (OCDS) will provide market support for the UK beef industry as producers adapt to change of the OTM rule and full testing for BSE. The OCDS will provide for the disposal of pre-August 1996 animals and ensure compensation for farmers for their older cattle. The OCDS is a

three year scheme, with a flat rate degressive payment available for producers over the three years. The rate will be €360 in year 1, €324 in year 2 and €292 in year 3. The scheme will be funded 50:50 by the Commission and the Department for Environment, Food and Rural Affairs.

CONSULTATION

9. As Scottish stakeholders have been fully involved in the development of policy on the removal of pre-August 1996 cattle from the food chain, Ministers agreed that a formal public consultation was not necessary.

FINANCIAL IMPLICATIONS

10. The proposed amendment to Commission Regulation 716/96 will not result in any extra costs to the Executive. There will also be no impact on the costs to the industry. Accordingly, a Regulatory Impact Assessment has not been produced for this instrument.

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