

**EXPLANATORY MEMORANDUM TO**  
**THE ARTIFICIAL INSEMINATION OF CATTLE (ANIMAL HEALTH)**  
**(ENGLAND AND WALES) (AMENDMENT) (ENGLAND) REGULATIONS**  
**2004**

**2004 No.3231**

1. This explanatory memorandum has been prepared by Department for Environment, Food and Rural Affairs and is laid before Parliament by Command of Her Majesty.

This memorandum contains information for the Joint Committee on Statutory Instruments.

2. **Description**

- 2.1 The Artificial Insemination of Cattle (Animal Health) (England and Wales) (Amendment) (England) Regulations 2004 will:

- amend the Artificial Insemination of Cattle (Animal Health) (England and Wales) Regulations 1985 taking account of the new requirements on trade in and imports of bovine semen introduced by amending Directive 2003/43 EEC;
- reflect the transfer of functions to the Secretary of State from the Minister of Agriculture.

3. **Matters of special interest to the Joint Committee on Statutory Instruments.**

- 3.1 These Regulations amend the Artificial Insemination of Cattle (Animal Health) (England and Wales) Regulations 1985 (“the 1985 Regulations”), which have already been amended several times. We are not revoking and remaking the 1985 Regulations because:

- we are introducing only minor amendments, principally to implement Directive 2003/43 (which itself introduces only minor changes);
- the 1985 Regulations will be revoked and replaced in Spring 2005 when we will introduce a very different regime for the artificial insemination of bovines.

4. **Legislative Background**

- 4.1 The Artificial Insemination of Cattle (Animal Health) (England and Wales) Regulations 1985 had been amended several times as a result of changes to EC law. This specific amendment is to transpose the enforcement of controls as required by Council Directive 2003/43 amending Directive 88/407 laying down the animal health

requirements of applicable to intra-Community trade in and imports of semen of domestic animals of the bovine species.

- 4.2 Trade aspects of the Directive have been covered by references made within the -  
Animals and Animal Products (Import and Export) (England) Regulations 2004; and third country import requirements of the Directive via references within the -  
Products of Animal Origin (Third Country Imports) (England) Regulations 2004.

## **5. Extent**

- 5.1 This instrument applies to England.
- 5.2 Wales and Northern Ireland have agreed to implement similar instruments for 1 January 2005. Scotland does not have any licensed EC centres and will therefore not introduce any similar legislation.

## **6. European Convention on Human Rights**

Not applicable

## **7. Policy background**

- 7.1 Provision for controls on the artificial insemination of livestock is contained in the Animal Health and Welfare Act 1984. The minimum conditions which, must be met for semen to qualify for intra-Community trade, are set out in EC Directive 88/407 as amended by Council Directive 2003/43.
- 7.2 These Regulations regulate the collection, processing and storage of semen eligible for trade in England and within the EC. It also aims to ensure the health status of donor animals. Present EC regulations are no longer in step with the new requirements contained within Council Directive 2003/43. The current set of regulations therefore needs to be amended to meet the new Directive's requirements.

## **8. Impact**

- 8.1 Enclosed is the Regulatory Impact Assessment (Annex 1) on the new requirements for bovine semen being imported or going for EC trade when Directive 2003/43 was negotiated. Following consultation there has been no issues raised from industry and therefore the RIA remains valid.

## **9. Contact**

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PARTIAL REGULATORY IMPACT ASSESSMENT

**1. Title of Proposal/Proposed Regulation:**

Proposal for a Council Directive amending Directive 88/407/EEC laying down the animal health requirements applicable to intra-Community trade in and imports of semen of domestic animals of the bovine species.

**2. Purpose and intended effect of measure:**

**(i) Objective**

The European Commission has reviewed existing controls under Council Directive 88/407/EEC for intra-Community trade in, and imports from third countries of, bovine semen. It has proposed an amendment to update controls with the aim of improving animal health protection.

**(ii) Background**

Council Directive 88/407/EEC provides standard animal health conditions and certification for trade in bovine semen. It includes requirements for semen collection centres from which the semen is destined for intra-Community trade, and health assurances for donor animals. The conditions under which the semen must be collected, processed, stored and transported are also set out. The current controls are implemented in the UK by the Artificial Insemination of Cattle (Animal Health)(England and Wales) Regulations 1985, as amended, the Artificial Insemination of Cattle (Animal Health)(Scotland) Regulations 1985, as amended, and the Artificial Insemination of Cattle Regulations (Northern Ireland) 1988, as amended.

The proposed directive would:

- provide for formal approval of centres for the storage of bovine semen at premises which are not part of an approved semen collection centre, and to specify the conditions which storage centres must meet;
- update the requirements for animal health tests for animals entering and resident in semen collection centres, in the light of new scientific data and particularly new provisions laid down in the International Animal Health Code agreed by the Office International des Epizooties (OIE);
- simplify the procedure for the agreement and listing of AI centres in third countries. These lists are frequently modified;

- allow the Commission to amend, following the comitology procedure, the annexes of Directive 88/407/EEC as they cover technical points relating to the approval of centres and conditions of admission of bulls onto collection centres.

### **(iii) Risk assessment**

There is a risk of causing outbreaks of disease through artificial insemination of cattle. One of the major risk factors is undetected infection in animals at a semen collection centre, and subsequent dissemination of infection by semen produced by bulls incubating disease. The risk can be reduced by carrying out health tests on animals prior to entry to a centre, quarantining bulls before entry, ensuring good biosecurity on the centre, requiring veterinary supervision and regular clinical examination of bulls. The proposal aims to further reduce risks by updating the health tests and other requirements to reflect improved standards since the original Directive was adopted in 1988.

The risk of spread of disease by semen contaminated after its production (i.e. during storage and transport) cannot readily be quantified but is probably very small under normal operating conditions. The risk may be reduced by ensuring semen is quarantined and stored in biosecure conditions, ensuring personnel engaged in semen storage and distribution do not have contact with livestock, and ensuring that semen is not returned to “clean” stores after exposure to field conditions.

### **(iv) Business sectors affected.**

The proposals would affect semen collection centres and semen storage centres wishing to export bovine semen. There could be an indirect impact on farmers who send bulls to these semen collection centres for collection of semen for intra-Community trade. In 2002, around 120 privately owned bulls were sent to semen collection centres.

There are 7 semen collection centres in the UK, and 11 semen stores approved for EU purposes. There is one collection centre in Jersey:

	Semen collection centres	Semen stores
England	4	6
Northern Ireland	2	3
Scotland	0	1
Wales	1	1
Channel Islands (Jersey)	1	0

In terms of trade, the sector is dominated by two large companies which run their own breeding programmes, buying and proving young bulls. In these cases, the collection centres are run in conjunction with breeding units for bull rearing, progeny-testing units, and semen quarantine, storage and distribution units. The main studs have a capacity of over 100 bulls each. Between 100-200 bulls are tested for entry a year to each of these centres. Unless a bull is thought to have exceptional genetic merit, a

relatively small number of straws of semen are produced from young bulls after entry onto the collection centre. These are used for progeny-testing. After the semen required for these tests has been collected and frozen, the bull is “laid off “ for five to six years until its breeding worth has been established by lactation records of its daughters. Only the best of the progeny-tested bulls are returned to stud for extended use.

There are five small collection centres in the UK, typically having capacity for around a dozen up to 40 bulls. They accept privately owned bulls for collection, normally over a limited period of a few months, as a service provided to individual farmers. These are mainly small businesses, employing fewer than 10 people.

The two major collection centres are also the most significant exporters of semen. Five semen stores are independent of semen collection centres, and are small to medium businesses. These companies primarily import semen and supply it to the domestic market or re-export it, but also source UK genetics from the UK studs for export. The majority of dairy breed semen used in the UK is imported, much of it from North America and Canada. But demand for “home produced” semen is increasing. There is also increasing demand overseas for UK genetics from both dairy and beef breeds.

In addition, there are a number of import/export agents, which act as brokers for trade in semen, but which do not store or transport semen directly themselves. We do not expect there to be any impact on these companies but we would welcome views on this.

#### **(v) Issues of Equity and Fairness**

The proposal clarifies the situation with regard to independent semen storage centres by setting out specific controls. The current Directive is ambiguous and it is apparent that it is implemented differently in individual Member States in this regard. In the UK, a number of such stores already exist and are regulated under national statutory controls. Some other Member States such as Germany consider that permitting anyone other than a semen collection centre to operate stores would undermine the viability of the livestock improvement schemes operated by the semen collection centres. This means that UK companies cannot currently set up stores in those Member States. The UK view is that this is a livestock quality control issue and should not properly be considered in this Directive. Directive 88/407/EEC deals with animal health control matters. Furthermore, it is only applicable for semen which is intended for intra-Community trade and not to domestic distribution and use of semen. A requirement that no one may operate a semen store unless they also operate a semen collection centre is anti-competitive and would inhibit the free movement of semen within the Community. Such a requirement has no basis in the principles of biosecurity.

### **3. Options**

There are three main options:

- 1) Do nothing, i.e. do not revise the EU Directive;
- 2) Revise the Directive as proposed by the Commission;
- 3) Revise the Directive but seek to ensure that controls are proportionate to the risk they seek to address.

#### **4. Benefits**

##### **Option 1**

This option would not alter the animal health risk from trade in bovine semen. Nor would it reduce the risk of a disease outbreak on a semen collection centre. It would also mean that the EU regime for bovine semen would be out of step with international agreement represented by the OIE International Animal Health Code. This would have the potential to adversely affect trade with non-EU countries.

It would also perpetuate the existing lack of a level playing field for semen storage centres, and continue to deny UK businesses the opportunity to set up storage centres in some other Member States.

##### **Option 2**

The proposal would further reduce the risks of disease transmission by updating health requirements for bulls entering and resident upon semen collection centres. This is of benefit to the semen collection centres since a disease breakdown has significant consequences. Depending on the disease, this could range from destruction of high value animals, loss of use of animals for semen production, loss of EU status of the stud and the ability to export semen, and destruction of stored semen. Top bulls can be worth several million pounds. It benefits farmers by reducing the risk of them introducing disease into their herds through purchased semen. Bringing technical requirements further in line with the OIE International Animal Health Code may facilitate trade with third countries.

The new testing arrangements for Bovine Virus Diarrhoea (BVD) represent a significant improvement to biosecurity. BVD virus infection is associated with a wide range of clinical signs varying from clinically inapparent to severe diarrhoea, fever and reduced milk yields, associated with high mortality rates. It is associated with decreased conception rates, abortion, stillbirth, weak neonates and congenital infection. The economic losses associated with BVD infections vary with the morbidity and mortality that results but may be very significant in the case of introduction into a naive susceptible population. Transmission of BVD virus occurs both horizontally and vertically and both by direct and indirect means. The virus may be transmitted in the semen of infected bulls. Studies indicate that around 1-1.5% of cattle are persistently infected with the virus but do not show clinical symptoms. This undetected infection is important in the epidemiology of this disease. The proposed protocol is aimed particularly at picking up these animals. There is no specific treatment for BVD, and control is based on prevention of infection, both through avoiding exposure and the use of vaccines.

The increased levels of testing for campylobacter and trichomonas for animals which could have had contact with females prior to entry to the centre is a sensible precaution. A single test is an inadequate safeguard against the introduction to a stud of these diseases which, once admitted, can spread quite quickly and be difficult to eliminate.

The proposal would clarify the position of semen storage centres that are not associated with semen collection centres. The current Directive is ambiguous on this point, with some member states permitting and others prohibiting independent stores. The requirements set out in the proposal would provide a level playing field. There are no animal health grounds to require stores to be associated with collection centres because all centres storing semen eligible for EU trade would be subject to supervision by a centre veterinarian and to certain rules in the same way as storage facilities linked to collection centres. The clear establishment of independent storage centres would also create a substantial opportunity for the UK industry to market UK genetics in Europe. UK companies cannot currently set up stores in those Member States such as Germany which do not permit independent centres.

### **Option 3**

This option would maintain the broad direction of the proposal, and all the benefits set out for Option 2 above, but not impose unnecessary burdens on the industry. The main areas where key modifications could be made are:

- a) removing inherent delays in the timing of testing in quarantine in certain circumstances.
- b) retaining eligibility for trade of semen collected under the rules of the existing Directive prior to the proposed amendment coming into effect.

## **5. Costs for business, charities and voluntary organisations**

### **(i) Compliance costs**

- Option 1

There is potentially a cost if no changes are made because trade with non- EU markets may be adversely affected as described above. This cost has not been quantified.

- **Option 2**

#### **A. POLICY COSTS**

##### **1. Recurring costs**

There are recurring costs for **semen collection centres**.

Under the existing controls required by Directive 88/407/EEC, animals entering semen collection centres must undergo two series of health tests and complete a quarantine period of at least 28 days in approved quarantine accommodation before entry. In addition, all animals on the centre must undergo annual tests. Recurring costs arise from the proposed changes to health tests that must be carried out. It should be borne in mind that some of the collection centres will not face increased costs because they already carry out these additional tests voluntarily in view of the biosecurity benefits they bring. However, it is not possible to take this into account in this assessment, which assumes that all centres currently carry out only the minimum tests required by the current directive.

The increased costs arising from the proposal are relatively modest viewed against the existing costs of running a stud, accommodating the animals, the cost of veterinary supervision, and the potential value of the semen. The total potential sales of semen from a proven bull depend upon the quality of the proof, but an average bull might achieve lifetime sales of 50,000 to 80,000 straws of semen in his career, at an average sale price of £10/straw. However, it should be noted with regard to the major collection centres which buy and prove their own bulls, that a proven bull has to pay for all the other progeny tested bulls that do not make the grade. Current selection pressures are such that probably only 1 bull in 10 becomes a marketable proven bull.

### **1.1 Sampling and laboratory costs**

(i) Under the current testing regime, the cost to the collection centre of the pre-entry tests in laboratory charges is around £91 in total per animal. The proposed changes to tests for brucellosis, Enzootic bovine leukosis (EBL) and Infectious Bovine Rhinotracheitis (IBR) will be cost neutral. The proposed changes to Bovine Viral Diarrhoea (BVD) testing will cost an additional £16 for each bull entering a stud. Around 400 bulls are tested for admission to collection centres a year, so the total cost to industry for laboratory charges for these basic tests would be around £6,400/year.

(ii) For animals over 6 months which could have had contact with females prior to quarantine, changes to testing for campylobacter and trichomonas will also have a cost implication simply due to the increased number of tests (3 repeated tests instead of a single test). There would also be additional costs associated with the time involved in carrying out two additional veterinary visits, although it is expected that these would normally be combined with other scheduled visits. This would apply to almost all privately owned bulls going onto collection centres. Those collection centres which own and raise their own bulls specifically for AI would not have to carry out this repeat testing on the majority of dairy bulls which are reared from calves. However, some dairy bulls plus all beef bulls and bulls of the minority dairy breeds (e.g. Ayrshire, Jersey, Guernsey, Dairy Shorthorn) are purchased as adults and will therefore be subjected to the triple testing regime.

For animals where these tests are required, the laboratory testing cost would increase by £107. Assuming an average of a further £20/bull for veterinary charges and that

130 bulls require these tests a year, the additional cost for industry would be around £16,500 per year.

(iii) The introduction of testing for BVD in the annual test will add a cost of £6 for each seronegative animal. Known seropositives will not need to be tested. This will probably apply therefore to approximately half the stud on average.

Assuming there are 250 bulls in the UK in total undergoing the annual stud test, the cost would be £750/year.

**Based on the assumptions above, the total industry cost to semen collection centres for the changed tests with regard to the sampling and laboratory costs is estimated to be £23,000/year. Assuming 400 bulls are tested a year, this represents an average of £57/bull. It is possible that the smaller centres could pass this back to their farmer clients.**

## 1.2 Quarantine costs

(i) The proposal changes the timing of the second series of tests. The first series of health tests can take place either on farm or in the quarantine accommodation, but in the latter case the results must be known before starting to count the 28 day quarantine period. The second series of tests is carried out during the quarantine period. The proposal newly specifies that the second series tests should not be carried out until after 21 days into the quarantine period. This has a particular impact in those cases where both series of tests are carried out in the quarantine accommodation because there is an existing requirement in Directive 88/407/EEC to delay counting the quarantine period until the results of the first series tests are received. The cumulative effect in practice would be to extend the quarantine period in such cases by another one or two weeks. Semen collection centres would incur extra costs for housing the animals whilst they are unproductive. In veterinary terms, there is no reason for starting the quarantine period only once the results of the first series of test are received.

(ii) Where tests for campylobacter and trichomonas must be carried out three times at weekly intervals (as set out in 1.1(ii) above), the delay in carrying out the first test until 21 days after the start of quarantine will mean that such bulls will have very prolonged quarantine - 35 days plus the time for the results to be received. There is no scientific reason for waiting 21 days before testing for campylobacter and trichomonas since the tests are looking for evidence of the pathogen itself, not a serological response. Therefore it would make more sense for the period from the start of quarantine to be reduced to 7 days for these two tests, so that where triple testing is required, the third test will be done at 21 days, at the same time as the serological tests.

The cost of keeping a bull in quarantine is estimated at £5.00 per day, including labour, feed and bedding.

The minimum quarantine period under the existing Directive is 30 days.

**Assuming that 150 bulls in total a year undergo an extended quarantine of an average 35 days under the new Directive due to reason (i) above, and that 130 bulls undergo an extended quarantine of an average 40 days due to reason (ii) above, the quantifiable recurring additional cost to the centres would be around £10,000/year (£25/head over the industry)**

However, where quarantine periods are extended, there is a bigger, if unquantifiable, cost arising from less efficient use of the facilities.

### **1.3 Other recurring costs**

Any further recurring costs will depend upon the outcome of the new tests:

(i) If a bull sero-converts with respect to BVD during quarantine, all animals which are still sero-negative must remain in quarantine until there is no more sero-conversion in the group for a period of 3 weeks. There will be increased accommodation costs for extending the quarantine period for the contact animal, estimated at £105/animal, and costs for extra testing of the contact animals at £6 per test per animal. In addition, a sample of semen from all seropositive bulls and any sero-converted animal must be tested for virus before the first dispatch of semen, at a cost of £35.

(ii) The introduction of testing for BVD in the annual stud test has potentially more significant consequences. If a bull has sero-converted (i.e it tested negatively prior to entry to the centre, but then tested positively in the annual test), each ejaculate collected since the last negative test must be discarded or tested (at around £35 per ejaculate) negatively for virus. Seroconversion on an approved AI centre is rare, but if it does occur in even one bull between annual tests, the cost of testing or discard will be high. To gauge the maximum cost, if we assume it is a year since the last negative test, and semen is collected twice a week from an individual bull, the cost in testing would be £3640. However, the introduction of the test for BVD in quarantine is designed to prevent this – if the check in quarantine for the presence of the virus is negative, a bull would only seroconvert if there is undetected infection already on the stud or if the virus is introduced to the stud through a lapse in biosecurity. So we would not normally expect any seroconversion to occur.

## 2. Non-recurring costs

2.1 For **semen collection centres**: Extended quarantine periods will inevitably result in less efficient use of existing quarantine facilities. Centres that are already using their quarantine boxes to the maximum will have to build additional boxes if they are to maintain their current throughput of bulls. To build additional quarantine boxes that are both suitable for housing mature bulls safely and meet all the biosecurity arrangements, such as separate air space, is very expensive. The current cost is estimated to be between £5,000 and £10,000 per bull place.

2.2 It is difficult to assess whether there will be non-recurring costs at this stage for **semen storage centres**. UK stores are already believed to conform to the proposal. However, we are seeking clarification from the EU Commission as to the degree of separation which the proposal intends between semen for EU trade and semen collected for distribution in the UK. We do not believe that the Commission intends separate buildings, but if this is the case the costs would be very significant for some existing stores. Some businesses may also incur capital costs if the Commission intends that semen of different status must be kept in separate rooms. No estimate of those costs has been made, and we would welcome information on this point.

2.3 Finally, as drafted, the proposal would only permit trade in semen collected in accordance with the current requirements under Directive 88/407/EEC for a period of six months after the new requirements come into force. Semen is normally traded frozen and has a long shelf life. Stores will still have stocks of semen from top bulls going back to around 1990. Whilst such semen could still be used within the UK, the loss of export markets may have a considerable cost impact in some cases although it is not possible to quantify this. This is because overseas customers will want to purchase semen from a specific named bull. If this bull is already dead or no longer on the collection centre, the customer's requirements could not be met if only semen collected under the new directive can be traded. This will be particularly true for beef breeds and the minor dairy breeds. This would affect both **semen collection centres** and **semen storage centres**.

## B. IMPLEMENTATION COSTS

No implementation costs have been identified.

- Option 3

The costs would be as outlined for Option 2 above but providing negotiations on the proposal are successful, the costs identified in 1.2 and 2.3 above would not be incurred. The UK has received general support from other Member States in Council Working Group on our concerns over the timing of the start of quarantine and eligibility for trade of semen collected prior to the proposed amendment coming into force.

In Council Working Group, some Member States have expressed opposition to semen storage centres being independent of semen collection centres. The UK will strongly resist any moves to remove this provision. Such stores have been allowed under licence for many years in the UK without biosecurity problems. Removal of the provision would have severe implications for the five businesses currently operating independent stores in the UK.

### (ii) Costs for a typical business

- Option 1

**As explained in section 5, there is an unquantified cost in potential lost trade associated with option 1.**

- **Option 2**

**The following assessment has been made of the quantifiable recurring costs.**

***Example 1***

*A collection centre taking in 100 bulls/year, 10 of which are over the age of 6 months and undergo the first series of tests on farm, the remainder undergo both series of tests in quarantine.*

Additional sampling and laboratory costs	£3170 p.a.
Additional quarantine costs	£2750 p.a.
Total cost	£5920 p.a.

***Example 2***

*A collection centre taking in 20 privately-owned bulls/year, which undergo the first series of tests on farm and all require triple testing for campylobacter/trichomonas.*

Additional sampling and laboratory costs	£2520 p.a.
Additional quarantine costs	£ 800 p.a.
Total cost	£3320 p.a.

- **Option 3**

***Example 1 (as above)***

Additional sampling and laboratory costs	£3170 p.a.
Additional quarantine costs	£ 0 p.a.
Total cost	£3170 p.a.

***Example 2 (as above)***

Additional sampling and laboratory costs	£2520 p.a.
Additional quarantine costs	£ 0 p.a.
Total cost	£2520 p.a.

## **6. Consultation with small business: the “Small Firms Impact Test”**

The additional testing costs will depend on the number of animals admitted to the collection centres. Significantly fewer animals are admitted by the small centres. However, the increased costs of testing are expected to have a greater impact on the small firms, since these tend to take in older, privately owned bulls which attract extra costs for triple-testing for campylobacter and trichomonas. In the examples shown above, the cost per bull for Example 1 is £59/bull, whereas the cost per bull for the

small firm in Example 2 is £166. As discussed in the section “Business sector affected”, above, the small firms take in privately owned bulls, and the raised costs for testing may be passed back to the farmers. All the small firms have been consulted and have not raised particular concerns with us. However, we are looking further at this and will be applying the Small Firms Litmus Test. Further consultation will take place with small firms as the proposals develop and prior to implementation in the UK.

## **7. Competition assessment**

The competition filter was applied to the markets for semen sales, semen storage centres, semen collection services, and bulls. There is a risk that the proposal will affect competition in the AI sector but we do not believe this to be high.

### Semen sales and semen storage centres

Semen sales are international in nature, with the majority of dairy semen used in the UK being imported. Whilst in terms of semen sales, the two main collection centres and their associated storage centres have over 50% market share in the UK, the proposals are not expected to have a significant impact on independent stores supplying the UK market with semen. Data on imports and exports from and to third countries is being obtained. The costs arising from these proposals are not significant and are not expected to have any whatsoever on this trade in terms of the level of imports/exports.

In addition to the semen sales issues above, the proposal as drafted would permit the establishment of independent semen stores in those member states that currently prohibit them. This would increase the scope for independent stores to relocate from the UK if their main business was in Europe. However, this is not expected to be likely, and would not affect the supply to the UK market.

### Semen collection services

In terms of semen collection services, the small collection centres operate a “niche” market by admitting bulls in private ownership, although one of the large companies takes in a low number of privately owned bulls alongside its own bulls. There may be a greater impact on the small firms. Some small centres may be less able to absorb the additional costs and may pass these back in whole or in part to their farmer clients. This has the potential to affect which company the farmer chooses, but other factors are likely to be more important, such as geographical proximity. We do not believe this would be significant enough to alter the number or size of firms. However, we would welcome views on this.

## Bulls

The costs of the proposal are small in proportion to the revenue from semen sales from good bulls. We expect no impact on the market for bulls.

### **8. Enforcement and Sanctions**

The proposals amend existing controls on bovine semen for intra-Community trade. These are enforced by Defra. No new enforcement action or sanctions will be needed.

### **9. Monitoring and Review**

The proposal would allow for more frequent updates of Directive 88/407/EEC in light of changes in scientific knowledge. It would empower the Commission to amend the technical annexes to the Directive, following the Standing Committee Procedure, rather than requiring consideration by the Council of Ministers and consultation of the European Parliament. Member States will be able to seek review or changes via the Standing Committee on the Food Chain and Animal Health.

### **10. Consultation**

#### **(i) Within Government**

The National Assembly of Wales, Scottish Executive Environment and Rural Affairs Department, Department of Agriculture and Rural Development Northern Ireland, the States of Jersey Department of Agriculture and Fisheries, Cabinet Office, Small Business Service and Office of Fair Trading have been consulted and their comments taken on board.

#### **(ii) Public consultation**

Preliminary comments on the proposals have been sought from all Artificial Insemination licence holders and other interested parties. The industry has generally supported the proposal and the improved health status it would bring. Some companies already carry out some of the additional tests on a voluntary basis because of the concern of there being a disease outbreak on the collection centres. The possibility of a prolonged quarantine as described above has been raised as a concern. Further formal consultation with these groups will be undertaken as the proposals develop.

## 11. Summary and Recommendations

<i>Option</i>	<i>Total cost per year</i>	<i>Benefit</i>
1 – do nothing	Nil	None, but potential loss of some export trade.
2 – revise Directive, accepting Commission proposal as it stands	£33,000 recurring testing & quarantine costs.  Potentially more significant non-recurring but unquantifiable costs due to less efficient use of quarantine accommodation.  Unquantifiable “write-off” cost for semen collected under existing controls after the amending Directive comes into effect.	Improves biosecurity and reduces risk of disease transmission via semen, particularly with regard to BVD, campylobacter and trichomonas. Clarifies status of independent semen stores. Benefits to trade, semen collection centres, semen storage centres and to individual farmers using artificial insemination.
3- revise Directive, but seek amendments particularly with regard to the effects on length of quarantine period and retaining eligibility for trade	£23,000 testing costs.	Same benefits as option 2, but unnecessary extension of quarantine period in certain circumstances would be avoided. Also semen collected under existing controls could still be traded.

Option 3 is recommended. Introducing the updated testing regime would provide significant improvements in biosecurity of semen collection centres to reduce the risk of disease outbreak on the centre, for which financial consequences would be very severe. It also provides further protection for purchasers of semen, and may benefit trade. The proposal is proportionate to the disease risk and removes extra burdens which do not bring any advantage in disease control terms.

**LORD WHITY**  
**PARLIAMENTARY UNDER SECRETARY OF STATE (LORDS)**