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The NFU represents 55,000 farm businesses in England and Wales involving an estimated 155,000 farmers, managers and partners in the business. In addition we have 55,000 countryside members with an interest in farming and the country.

Simplification 2010 – 2015: Call for Evidence

Introduction

The NFU welcomes the opportunity to respond to this call for evidence which asks for specific suggestions as to where regulations could be simplified or alternative interventions could be used, in a way that will reduce burdens and costs, while continuing to deliver the intended outcomes.

Before we outline our proposals we would like to present our views on the regulatory environment for farming businesses.

Farming is an important industry. Farms across the length and breadth of the country are the starting point for the majority of food that ends up in our shopping baskets and on our plates. Collectively, agriculture and horticulture contribute some £5.8bn to the GVA (Gross value added)¹ of the UK economy. Indeed, agriculture was one of the few strong sectors as the UK economy headed towards recession.

While the solid performance of agriculture has been good news for the whole economy, it has been particularly crucial to rural areas. The rural economy turns over £300bn each year, employs 5.5 million people and has farming at its centre.

To gain an understanding of the importance and significance of UK farming, it is important to consider activities beyond the farmgate and look at the food chain as a whole. Collectively the agri-food sector accounts for 6.5% of the total economy and generates some £80 billion in GVA terms to the UK economy. In addition, an estimated 3.6 million people are employed, 14% of all employees².

Without a healthy farming base there is a real risk that the value that domestic food and drink manufacturing adds to the UK economy could be eroded. Beyond the economic rationale, increased reliance on global supplies could also raise questions concerning food safety, traceability and production standards.

Improving the long term sustainability of farming in the UK is therefore crucial. There are a number of major challenges that the industry faces, going forward, in order to meet this aim. Trends points to increasingly volatile and permanently higher input prices. Increasing world demand, constraints on land availability and more frequent and extreme weather events have defined and are expected to continue to define agricultural markets in the years to come.

¹ Defra, Agriculture in the UK 2008

² Defra, Agriculture in the UK 2008

Competitiveness is key to UK agriculture and horticulture making a significant contribution to the UK economy and the delivery of overall world food security. The global nature of the food system means that farmers and growers must not be hampered by local barriers such as burdensome regulation.

Reducing the regulatory and hence the cost burden on farming businesses will help farmers and growers to compete fairly within Europe and beyond. Farmers have embraced the concept of 'better regulation' but, to date feel that little has been achieved on the ground, with no perceptible reduction in existing regulatory burdens. In contrast, in recent times where Government has felt the need to regulate, the industry has proposed voluntary solutions as an alternative.

Regulation places an even greater proportionate impact on smaller businesses as they often feel a lack of certainty about how to comply with legislation and express concern about the financial penalties they may face for non-compliance. Few regulations provide simpler administrative costs for smaller, micro or sole trader businesses.

Defra's Better Regulation minister Hugh Iddowes recently set out a commitment to embed the principles that underpin 'Better Regulation' into policy development, in Defra's fourth simplification plan³. He states that he wanted to ensure 'Defra deliver policies in the most effective and efficient way possible to achieve their intended outcomes. This means intervening appropriately and only where necessary, imposing minimum burdens on business and taking a risk based approach to compliance. In the current economic climate we must ensure that revised and new regulations are designed to achieve the highest level of compliance possible with little or no additional cost to business'.

Few could disagree with this vision, indeed an opposing vision would be perverse, however the industry is yet to experience the benefit of such an approach which has been the clearly stated goal of Government for a number of years.

The NFU feel this call for evidence must be part of the forward programme of regulatory reform to deliver sustainable changes for the industry that will simplify the burden of regulation. We believe there needs to be good regulatory practice implemented that bring tangible benefits for business.

Call for Evidence on Regulatory Simplification

The NFU support the aims of the regulatory reform programme and have been involved in many of the initiatives emanating from the agenda for a number of years. We have submitted many simplification proposals to the Better Regulation Executive portal over the past couple of years and believe many of these are still valid.

Our response below outlines areas where we believe changes could benefit the industry. However it is important to recognise that farmers are not anti-regulation or anti-inspection. They increasingly understand their responsibilities to protect the environment, and achieve high standards for animal health and welfare, food safety and worker safety.

However there is a need for smarter regulation for agricultural businesses which needs to tackle the following issues:

- Excessive cost and cumulative burden – there needs to be a focus placed on achieving outcomes, not on inputs or processes
- Administrative duplication – agricultural businesses should not be put at a disadvantage through unnecessary and poorly thought out proposals that require them to do the same thing numerous times to achieve one outcome

³ <http://www.defra.gov.uk/corporate/policy/regulat/better/simplify.htm>

- Disproportionate regulation – this places huge burdens on farm businesses. Indeed the cost in administrative burdens from Defra regulations was measured at £460m, of which the majority impacted on the livestock sector. We have highlighted several examples relating to this sector in our response.

We believe there can be several improvements made to businesses processes which can reduce the burden and cost for agricultural businesses in this particular sector. We have also listed examples below on Agricultural Wages Board, Environmental Permitting Regulation, IPPC, Farm Assurance, Transport Issues, and DON Mycotoxin levels. Many of these issues would fit under the Natural Environment theme which is set out in the call for evidence document.

Livestock Regulatory Simplification

Cattle Identification Inspections

Cattle Identification inspections are carried out to check cattle keepers are complying with all cattle identification and registration requirements. The European Commission has set out detailed rules for 'on the spot' controls. The Regulation requires that:

- 10% of registered holdings in each Member State are inspected annually (5% if the MS has a fully operational computer database)
- The holdings are selected by risk analysis, the criteria for which are set out in the Regulation. The inspections must be unannounced, with a maximum 48 hours notice provided

The Cattle Identification Inspections for farmers in England and Wales is undertaken by the RPA through a predominately risk based criteria. They state that the selection for inspection takes into account a number of factors – such as time since the last inspection, number of cattle on the holding, errors found in previous inspection etc.

The inspector will fully check all animals and records kept during the inspections. This includes:

- farm records to determine which animals are present on the holding
- that births, movements and deaths have been correctly recorded
- that all animals are correctly tagged, and match the animals passport
- that all animals are present and correct

These inspections can take a long period of time out of a business and because they are unannounced often leave farm businesses short on resource and labour. Due to the nature of the majority of agricultural businesses being micro or small businesses these inspections can have a significant impact on the running of the business and can also be a significant intrusion into the day to day running of that business.

The length of the inspection will depend on the size of the holding being inspected, the number of cattle involved and the quality of the record keeping by the farmer.

While the RPA are the competent authority under cross compliance and carry out the required number of inspections to satisfy the European Commission (5% from 2009/10) there are other bodies coming onto farm to inspect the same standards and effectively duplicate the inspection process for many farmers. Farmers belonging to assurance schemes will have an annual inspection from ABM who will inspect these standards.

However Local Authority / Trading Standards officers also have responsibility for enforcing the Cattle Identification and registration requirements through a national framework agreement with Defra. The

framework agreement between Animal Health and Local Authorities allows Trading Standards to go onto farm to carry out inspections – part of which could entail checking cattle identification. This part of the inspection takes no account of the fact that this regulatory requirement has already been met via the RPA inspection regime.

As a result any further inspections by Trading Standards officers will go above the required number of inspections under European Commission regulations, and could therefore be considered as gold plating the regulations.

We propose that Local Authorities on-farm inspection is unnecessary, and that restricting this inspection process to just the RPA would benefit the industry from potentially receiving further, unnecessary and duplicated inspections on cattle identification. A clear benefit would also be savings for local authority's budget.

Notwithstanding withdrawal of local authority duplication there is a need for greater sharing of inspection data between Local Authorities and RPA to avoid any duplication of inspections.

Another option would be to count the local authority inspection as part of the 5% required and reduce the RPA inspections accordingly, which would remove the chances of agricultural businesses receiving multiple inspections in this area.

We also propose changes to the actual Cattle Identification inspection to improve this process. Where animals and records have previously been checked and passed, why do the same animals have to be tag read and their records checked again if they are selected for another inspection for example in the following year. The inspectors report should be able to highlight animals previously checked. This would save time on inspections to suckler and dairy herds with the inspector only checking those animals with the primary or both ear tags missing. This would reduce the intrusion into the running of these businesses.

Cattle Movement reporting

The Cattle Tracing System database records all the movements of cattle registered or imported into Great Britain. European legislation requires cattle keepers report both the 'off' holding and 'on' to next holding movements to the database, as well as in their own herd registers. Fast and accurate reporting of movements to the database allows traceability of cattle from birth to entry to the human food chain.

Under the GB system any movement of an animal comprises an 'off' movement followed by an 'on' movement. Presently livestock keepers are required to report one half of the movement. So for example, if an animal leaves a holding the consigning keeper must report the 'off' movement, signifying the animal has left the holding. It is the responsibility of the receiving keeper to report the 'on' movement, signifying the animal is now on their holding. Once the movement of an animal is notified to CTS, the database matches it with the other half of the movement and checks they correlate. Any incomplete or incompatible movements are investigated by the British Cattle Movement Service.

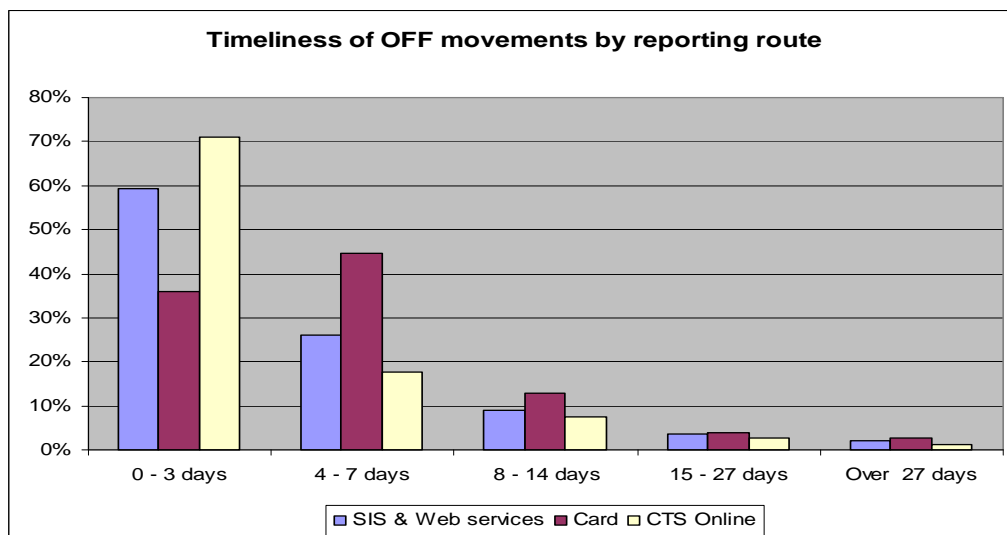
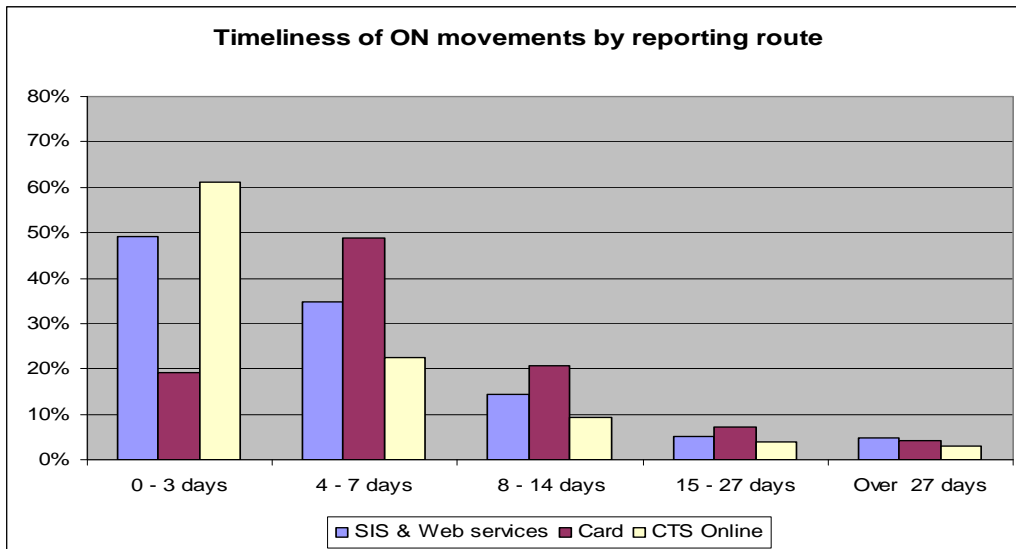
The following movements of cattle must be reported to BCMS:

- on and off farms
- to and from farms
- to slaughterhouses

Keepers of cattle are legally obliged to notify movements of cattle within 3 days of the event and the death of animal within 7 days. It is an offence for a keeper not to notify BCMS of the movement of any cattle for which they are responsible. Failure to do so can lead to a reduction in their Single Payment of around 5% under a cross compliance inspection.

Figures from the RPA show that livestock record keeping is still one of the biggest areas of cross compliance failure for farmers. The figures show that in 2008 statutory management requirements 7 and 8 were responsible for 1,286 cross compliance failures. This area of regulation is a huge concern for farmers with a fear of breaking the regulation and facing financial penalties in payments.

The graphs below from BCMS show the timeliness of movements reported by Agricultural Holdings and landkeepers reported by source during 2008.



Currently movements can be reported online via CTS which is accessible on the Government Gateway, or using pre-paid movement cards which are available from BCMS, using second class postage.

The graphs show that less than 20% of card reporting for on movements are reaching BCMS within the required timescales. This improves for off movements – but it is still less than 40%. The situation is improved when looking at the 4-7 day timescale with nearly 50% of On movements (giving a total of nearly 70%) and over 40% (giving a total of nearly 80%) of off movements reported by card reaching BCMS within this timescale. However this is currently outside the timescale of the regulation and would therefore potentially result in the livestock keeper receiving a financial penalty.

We would like to see improved processes in place to enable farmers to meet the notification deadline for reporting movements.

Whilst this regulation needs to be in place for human and animal health purposes and the process is effective at the prevention and spread of disease, there could be a simpler regulatory control process in place to reduce the burden and amount of form filling on farmers. **We propose that an off movement card for cattle could be completed with a forecasted destination very similar to the ALMS for sheep, this would solve many traceability problems which currently occur with movement anomalies. There is also the opportunity for the livestock markets to complete the movement card instead of the seller and buyer both having to complete and send movement cards for the same animals.** This method is currently adopted in the Scottish markets.

We also propose that added functionality should be made available on the BCMS system to improve the notification process. Cattle movements should be able to be reported via telephone or text message. An automated system made available via a free phone number or standard text message charge could be used for reporting movements. This would remove the need to complete movement cards within the tight timescale as BCMS would already be notified of the movement. This would improve the business process for the farmer and could work in the same way as reporting gas and electric meter readings over the phone.

Given the severe penalties under cross compliance for failing to report cattle movements within 3 days, the NFU notes that the EC regulations state that movements should be reported between 3-7 days, but it is the domestic regulation that stipulates the 3 day deadline. **So we propose that Defra increase the deadline for reporting movements.** The graphs above show that the card based recording system through the post is extremely difficult to achieve within the 3 day period but is very achievable within 7 days.

Sheep Electronic reporting

Sheep and goat movements have to be reported using a movement document (AML1). The completed document is sent to the appropriate Local Authority within three days of movements. The AML movement documents require the keeper and both departure and destination premises to complete the appropriate parts before it is sent to the Local Authority.

Although BCMS encourage electronic returns of all cattle data, farmers are required to submit manual movement records for sheep and goats to the appropriate Local Authority. **We propose that the electronic transfer of data should be introduced, with sheep and goat movement forms being able to be completed online.** This will reduce the time farmers spend completing these forms and will see a reduction of the amount of paperwork involved.

Five mile radius

Currently all movements of sheep within a business must be recorded and reported, apart from movements between land with the same CPH (County Parish Holding) number⁴ which is within five miles of the keepers main holding, and where the animals remain under the same keepership. Movements of sheep to a different numbered CPH, where the animals remain under the same keepership, must be recorded and reported on a batch basis.

⁴ For any movement reporting system to work it is important to know where animals are moving between. The system of identifiers used throughout GB is based on a system of allocating, for each county and each parish within that county a holding number to each farm. This is the farms CPH number

However there are premises that are part of the same business where it would be acceptable to allow movements of over five miles not to be reported. This practice is creating extra burden and paperwork by having to report movements between land parcels of the same business.

We propose that in line with the recommendation made in the Madders Review, Livestock Movement Controls⁵ that the five mile radius rule for sheep should be abolished and replaced by Livestock Movement Units, so that day to day management involving movements between the same holding will not require a movement document.

A Livestock Movement Unit would in most cases be a single premises or linked premises under the management and control of a single business. It was recommended that all premises must be linked epidemiologically, biosecure and been found to be so by a qualified person. Movements of stock between the premises within an Livestock Movement Unit:

- would not have to be recorded in the farm movement records
- would not have to be reported to the Local Authority
- would not have to respect any standstill on the premises of departure
- would not impose a standstill on the premises of destination

This review was published in 2006 and its recommendations agreed by Government. However we are still waiting for progress to be made on many of the recommendations.

TSE's

Current controls on Specified Risk Material are laid down in the EU TSE Regulation (EC999/2001) and have been in place for sheep in the UK since 1996. Specified Risk Material includes those tissues of cattle, sheep and goats which might potentially harbour detectable BSE infectivity. The essential purpose of the SRM control is to ensure that such tissue is excluded from the human food and animal feed chain.

The parts of sheep of all ages currently specified as SRM throughout the EU are the spleen and ileum. For sheep over 12 months of age current SRM rules require spinal cords to be removed from sheep which have a permanent incisor erupted through the gums or are aged over 12 months.

The spinal cord must be removed at the slaughterhouse before the post-mortem inspection or the meat must be sent to a cutting plant authorised to remove it. It is an offence to remove the spinal cord except by splitting the whole vertebral column or removing a section of the whole vertebral column including the spinal cord.

However splitting the carcass in two lengthways devalues the carcass as it cannot be hung to mature and the product has a very limited market. Recent research has shown that lamb carcass splitting is costing producers in Great Britain between £23m and £34m a year. Further to this, BSE has not been found in the UK in sheep and goats and SEAC and EFSA have advised that the most likely prevalence of BSE in sheep is zero and have concluded that the risk to public health from TSE in sheep is zero.

The NFU propose that the spinal cord is removed by other means, such as suction, which does not devalue the carcass as is the case in other Member States. To this end the Food Standards Agency should immediately commission a new proportionate, risk-based, approach to the removal of Specific Risk Material so that producers in Great Britain operate on a level playing field with Europe. The original risk analysis which the regulations are based on is now outdated and must be re-examined.

⁵ http://www.defra.gov.uk/foodfarm/farmanimal/movements/documents/livestock_movement_controls-review.pdf

We have previously highlighted three potential proportionate solutions to this problem and it is worth including them again here for completeness:

- Cease ovine splitting and spinal cord removal altogether – given that the public risk is negligible or nil, this would appear to represent the optimum solution
- split at emergence of the second pair of permanent incisors – amend domestic regulations to split at the emergence of the second pair of teeth. As the spinal cord would still be removed from all adult sheep this would be a risk based step
- permit suction extraction – in other EU jurisdictions, notably France, extraction by suction is permitted without splitting. As it is the split which decreases value, not the extraction of the spinal cord, this would completely solve the economic problem without any reduction in TSE controls at all.

Agricultural Wages Board

The Agricultural Wages Board (AWB) is an independent body with a statutory obligation to fix minimum wages for workers employed in agriculture in England and Wales. The Board also has discretionary powers to decide other terms and conditions of employment, for example holidays and sick pay. It produces a legally binding Order which is enforced by Defra. The Order applies to all workers employed in agriculture in England and Wales and is the only wages board remaining in the UK.

With the advent of the National Minimum Wage legislation which guarantees the wages of all employees, the function of the Agricultural Wages Board has been overtaken. This has resulted in duplication and should render the AWB obsolete. As a consequence agriculture is the only industry with its own specific minimum wage distinct from the National Minimum Wage.

We propose abolition of the Agricultural Wages Board. This would remove a layer of red tape not only saving costs an bureaucracy for the industry but also substantial public costs.

The amount set out by the Board in the financial year 2008-09 shows that provisional expenditure amounted to £174,449.10. However we believe the true costs will be higher because it obviously costs more to have to enforce the Agriculture Minimum Wage and the National Minimum Wage and these costs do not fall on the AWB. Other costs are communications on Pay and Rights Helpline, BIS and Defra.

A Parliamentary question was also asked in March 2007 to establish the cost of the Agricultural Wages Board in each of the last five years⁶. The average cost over this period was £360,605.

IPPC

The NFU propose that the Environment Agency reverse its decision to include, since last year, the requirement to consider non-statutory conservation sites when assessing a new IPPC permit application, or the variation to an existing one. This is placing disproportionate costs onto business.

This decision has occurred without any consultation with industry, and imposes significant additional costs without any legislative requirement.

EU legislation states that statutory sites, such as SSSI's and SAC's should be considered when assessing a permit, but there is no direct mention of these non statutory sites. The Environment

⁶ Hansard - Agricultural Wages Board - 21 March 2007

Agency has stated that the general Environmental Act 1995 gives them sufficient scope to include them: “We have a conservation duty under Environment Act 95 (7(1) (b&c) to have regard to features of special conservation interest and to take into account the effect of proposals on flora and fauna (paraphrase). In many cases these sites are as important as SSSI's from a conservation perspective, but have simply not been given that level of designation as yet”.

Pig and poultry producers are incurring significant costs in undertaking assessments to check their farms potential impact (of ammonia emissions) on these sites. Many are being put off making applications and several are missing investment opportunities as a result of the administrative process.

Although pig and poultry farmers are currently being affected, all livestock farmers (including cattle) will be affected by the way in which these rules are being implemented. For example where producers are wishing to increase their slurry storage capacity to meet the new NVZ requirements by investing in new facilities; this will be picked up when obtaining the necessary statutory consents and the new activity's impact on nearby protected habitats will be assessed.

We believe that the Agency is being far too precautionary in their policy approach to these protected sites and disproportionate in their regulatory stance.

Environmental Permitting Regulation

Environmental Permitting is seen as a flagship better regulation project by the Environment Agency which aims to provide a single, streamlined risk-based framework for permitting and compliance. They introduce the possibility of a single permit and regulator for some sites, and standard permits.

However the single permit approach fails to balance benefits to agricultural businesses with the evident benefits to the Environment Agency.

Waste Exemptions

Changes to the system of waste exemptions mean that businesses who have been carrying out activities through an exemption will no longer be able to do so. Instead they will have to apply for an Environmental Permit. It is generally accepted that the levels of administrative burden and charges associated with an environmental permit are considerably higher than those involved with an exemption.

This can be illustrated using the example of a small scale commercial composting unit located on farm. The majority of these businesses operate with a waste exemption which is free of charge and can spread the resultant compost on the farm through a system of chargeable exemptions. If these sites now want to continue composting at a commercial scale they will have to obtain an environmental permit. This means:

- Significant increase in regulatory charges: If we look at the scenario of a farmer operating a small scale on-farm composting site and holding one Paragraph 7 exemption for spreading the resultant compost, this would mean costs would rise from £434 annually to £3,810 for the first year and £1,520 annually thereafter. This represents a 350% increase upon the current fees on an annual basis
- The business will have to invest in new infrastructure. For example hard standing impermeable surface, sealed drainage system i.e. £20,000 - £30,000 investment
- Will have to obtain a certificate of technical competence: 1-2 day training course (fee £500 to £1000) and continuing professional development requirements

- If they can't meet the conditions of a standard permit they will have to apply for a 'bespoke permit' where the permit will be tailored to their local situation / conditions. This will be very costly and will also mean lots of time, cost and administration spent carrying out risk assessments etc

Thus we question the proportionality of environmental permitting for composted waste businesses on farm. Waste and its management are all important issues. Government should be encouraging recycling and recovery of waste where appropriate and these operations must be supported by the use of good management practices. However the costs and administrative barriers introduced by the Agency will ultimately discourage this. Making certain activities possible only with a permit may have the perverse environmental impact of sending more waste material to landfill since for many operators this may be an easier and more cost effective option than applying for an environmental permit.

The NFU believe there are several actions that could be taken by Government to remove or reduce these costs. These include:

- The Environment Agency's waste Regulatory Charges should be reformed so that they are more related to the risk posed by the scale of activity. The current system means that a site processing 30,000 tonnes of material a year pays the same in charges as a site processing 1,500 tonnes per year. Yet the risks cannot surely be the same? **The NFU proposes a significant increase in the threshold where permitting becomes the standard approach.**
- **There should be a system of 'Grandfather rights' – where an operator who does not hold a certificate of technical competence, yet, for example, has submitted between three and five consecutive years of Exemption Paragraph 7A (landspreading) or has been holding Exemption Paragraph 12 (composting) for 3-5 years is waived of the need to obtain a certificate.** In such cases the fact that they have been successfully carrying out waste management activities for repeated years with the approval of the regulatory authority surely demonstrates a sufficient level of technical competence. If necessary, this could be supplemented by an interview with the Environment Agency.
- **The Environment Agency should recognise a wider range of pathways to technical competence.** There are existing forms of technical competence, qualifications and Continuing Professional Development within the farming industry that might also be appropriate for demonstrating technical competence. For instance, if an operator already has FACTS certificate, why should they have to spend time and money taking a course to get another certificate just so they can obtain their Environmental Permit. In addition, suitable training courses could be provided through existing training providers (local training groups, LANTRA etc) tailored for the farming community. These should be recognised as suitable forms of technical competence.
- One way to begin developing more proportionate costs could be to explore the opportunity for 'consolidated permits'. For instance, **where several individual permits cover a sequence of associated activities we propose that it would be logical, simpler and more cost-efficient - both in terms of assessment and regulatory costs and operator costs – to look at developing an additional option for consolidated permits.** For example, many on-farm composters spreading the resulting finished compost at the same site of production will need to hold both standard permit SR2009No19(composting) and SR2009No9(Land-spreading). While we understand the permits are very different from each other and cover different activities there could be cost and admin savings from integrated assessment, processing and inspection. **The Agency should also explore the possibility of charging a reduced fee for landspreading for cases of multiple notifications made on the same date and in the same vicinity (i.e one single farming holding).** This could reduce regulatory costs which could be passed back to the operator through reduced permit fees.

Generic Guidance

We oppose the production of generic guidance for all Environmental Permitting Regulation sectors. This is a particular concern for pig and poultry sectors subject to IPPC controls.

The industry and the Environment Agency have gone to considerable efforts in the past few years to ensure that these IPPC sectors have relevant sector specific guidance to help them understand new controls and which sets the context of IPPC within other related legislation such as Nitrate Vulnerable Zones or other guidance such as the Codes of Good Agricultural Practice. Farmers will struggle to understand generic guidance that has been stripped of the farming context. This guidance is not only key for ensuring good understanding, but also ensuring good compliance.

The suggestion has been that one set of guidance (and application form) is a better regulation move but again this illustrates a confusion between benefit to the regulator compared with the 'customer': this will only confuse and is likely to only increase the burden on farmers (and the Environment Agency) in the longer-term.

Indeed in a Hampton Implementation progress review of the Environment Agency the Better Regulation Executive Review team notes "that sector specific guidance is highly valued by business. Businesses and the EA staff both greatly value joint working on guidance. This should be continued and extended"

Farm Assurance

The NFU proposes that farmers belonging to farm assurance schemes should see real benefits in reduced regulatory costs and inspections. Assurance schemes under the Red Tractor logo have been established to provide food of high quality, whilst maintaining good welfare standards and environmental protection. These standards are supported by an annual inspection regime to check that members comply with the standards. Schemes now cover at least 85% of home production in the milk, eggs, chicken, pigs, cereal, oilseed and crop sectors and over 65% for beef lamb and horticultural products.

Defra and its regulators should take active steps to assess the coverage of farm assurance inspections and membership to reduce the burden of additional statutory inspections. Farmers participating in these schemes are already complying with standards that exceed the legal minimum, and their compliance is monitored by independent inspections. **Farms that are members of farm assurance schemes represent a lower risk than those that are not, and that should be reflected in the frequency with which they are inspected.** Beyond that, the fact that a farm is being independently inspected to standards higher than those demanded by Government and its agencies ought to render relevant Government inspections covered by farm assurance protocols, redundant and unnecessary.

The Food Standards Agency has accepted this principle in its decision to reduce the frequency of inspections by local authorities for compliance with the Food Hygiene Regulations for assured farms. The NFU is also pressing for pig and poultry farms that are participating in farm assurance schemes to be subject to a reduced regulatory burden in the context of IPPC regulations and for a reduction in the overlap between Dairy Hygiene Inspections and the National Dairy Farm Assurance scheme.

The NFU considers that there are many areas of overlap between statutory inspection and assurance which could be explored to reduce the burden of inspection on agricultural businesses:

- Bovine identification inspections – (SMR 7 &8 under cross compliance)
- Sheep Identification inspections – 5% of all sheep producers (SMR 8 under cross compliance)
- Local Authority inspections for disease control standstills etc, movement records on farm, multiple pick up inspections, isolation facilities, animal by product regulations, TSE regs, veterinary medicine regulations, welfare of animals transport regulations, disinfection and cleansing order

- Cross compliance inspection of welfare carried out by Animal Health (SMR16 & 18)
- Environment Agency inspections for NVZ regulations

Transport issues

We have received many reports from members with concerns over Government call centres and helplines when needing advice and guidance on regulatory issues. These can often be a frustrating experience and much time can be wasted at a cost to business, having to go through automated messages and being re-directed to different departments and services. We have included two examples to highlight the frustration:

- One member reported to us that he tried phoning the DVLA using their premium line for telephone applications to obtain a tax disc for tractors. Having had to sit through the automated messages for several minutes he then discovered that the DVLA do not issue tax discs for tractors using this method
- Another member reported an issue when enquiring about weights and trailers legislation. He called the VOSA helpline in the first instance and listened to their automated system for several minutes before being able to speak with an operator, only to be directed to the DVLA. He phoned the DVLA as instructed and again spent time sitting through their automated system, only to be told by the operator that they are unable to deal with queries of this nature but that the Department of Transport should be able to offer guidance. The contact at the DfT then informed he they can only deal with this issue via email.

We propose that these Government helpline and telephone services are improved through easier access to an operator or better signposting on who deals with what. While we recognise that they are costly to run for Government, they also place an administrative cost on businesses who spend unnecessary time in trying to obtain the relevant information.

DON Mycotoxin Levels

The European Commission introduced legislation in 2006 which sets maximum limits for fusarium mycotoxins in cereals and cereal products for human consumption. As fusarium mycotoxins are produced in the field, Good Agricultural Practice is the primary mechanism to reduce fusarium mycotoxins entering the food chain.

This area is currently highly relevant and is an example of where better thought through legislation is needed between DG Environment and DG Sanco within the Commission and more joined up domestic policy development between departments within Government.

Farmers and growers are being caught in the tension created between regulatory demand for environmental protection on one hand and for food safety on the other. Farmers are being asked to use minimum cultivations for soil protection while at the same time receiving advice from food safety authorities to use ploughing to reduce DON mycotoxin risk.

Farmers are asked to plough after maize and cereals but also potatoes beet and oilseed rape to reduce mycotoxin in crops of wheat for human consumption. At the same time they are told not to plough for water and environmental protection (water framework Directive) and recent pesticide legislation (EU Regulation 94/414) brings further conflicts where active ingredients against fusarium are more restricted. With Defra now, sensibly, returning to food production and food security as a policy objective (Food 2030) there is a further policy tension emerging with climate change.

We propose these tensions between regulations be alleviated with greater communication and joint working between Defra and the Food Standards Agency to reduce the existing conflicts

The voice of British farming

between regulations. This would be beneficial for arguing and strengthening their case when pressurising DG Sanco and DG Environment within the Commission. We are seeking support from Defra in understanding the food safety regulations managed by FSA to understand the implications for crop producers of mycotoxin legislation and help us to support farmers in achieving the outcome sought by legislation without compromising productivity

The NFU are also concerned about additional standards being introduced throughout the supply chain, effectively gold plating the legislation..

The limits for fusarium mycotoxins in cereals apply throughout the food chain. All food business operators, from growers through to retailers, should therefore adhere to the set limits. **The NFU believe existing regulation in this area is strong but propose this is better communicated by the Food Standards Agency and Commission to retailers and consumers in order to reduce the need for unnecessary and cumulative, additional standards.**

These additional standards have come as a result of commercial operators further along the supply chain (millers, bakers and retailers) adding further regulatory requirements on top of existing standards due to commercial pressure.

This turns a legislative issue into a commercial issue, where flour millers have become over zealous in 'enforcing the law'. This includes the testing of individual lorry loads of wheat, at or before intake by processors. This is an issue for British farmers with cost, high risk of error, disruption and waste all contributing to increasing the costs of producing milling wheat. In the UK farmers have been obliged to provide test results in addition to assessing risk, and the cost of this testing is estimated at over £2m (or over 40p / tonne) before grain leaves the farm.

Summary

The NFU welcome the new targets for simplification for the period 2010 to 2015 and believe it is crucial that compliance costs are being considered in this exercise as these are far more significant costs for business.

This call for evidence must deliver recommendations so that regulations are proportionate, well designed, communicated and enforced. Government departments must ensure these principles are applied throughout the regulations they put in place. The above proposals outline areas where action is needed in order to achieve these principles and reduce the cost of regulation on agricultural businesses.

We call for action to result from this exercise to help shape the future simplification programme. However we would reiterate that any changes that are made by Government departments have to be noticed by businesses on the ground, and mustn't be made just to claim savings in order to reach the targets set. Any changes made need to bring tangible benefits for business – that after all is the real test of the agenda's delivery.

If you would like to follow up anything in this response, please contact Lee Osborne.