

Environment, Planning & Countryside Committee

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British Charolais Cattle Society Ltd

Central Association of Agricultural Valuers

Country Land & Business Association

Farmers Union of Wales

Holstein UK

Hybu Cig Cymru – Meat Promotion Wales

Jersey Cattle Society

Kite consulting

National Beef Association

NFU - Cymru

Norman Lloyd & Co

Royal Institution of Chartered Surveyors Wales

Royal Society for the Prevention of Cruelty to Animals

Wales Council for Voluntary Action

Welsh Association of Livestock Auctioneers

Welsh Consumer Council

Williams Parry Richards Chartered Surveyors

CATTLE COMPENSATION: BOVINE TB, BRUCELLOSIS, BSE AND ENZOOTIC BOVINE LEUKOSIS

SUMMARY OF RESPONSES TO CONSULTATION HELD BY THE WELSH ASSEMBLY GOVERNMENT BETWEEN 5 NOVEMBER AND 31 DECEMBER 2004

1. Introduction

1.1 This document is a summary of the responses received to the public consultation ('Cattle compensation: Bovine TB, Brucellosis, BSE and Enzootic Bovine Leukosis') held by the Welsh Assembly Government between 5 November and 31 December 2004. The consultation followed one in Autumn 2003 on proposals to rationalise compensation for notifiable animal disease control.

1.2 The proposals in the consultation document issued by the Welsh Assembly Government on 5 November 2004 would, in effect, implement stage 1 of the longer-term objective to rationalise compensation for all notifiable animal diseases. The proposals cover 4 cattle diseases: Bovine Tuberculosis, Brucellosis, Bovine Spongiform Encephalopathy and Enzootic Bovine Leukosis and provide for table only valuations based on extensive up-to-date market information.

1.3 The views of stakeholders were sought on:

- the way it is proposed to introduce a table valuation system, and
- whether an advisory group on livestock valuations could play a useful role in helping the Assembly Government to maintain and develop practical, robust and fair valuation systems and what such a group might consider.

1.4 Responses were received from 17 organisations.

1.5 Some respondents to the consultation submitted a 'free standing' response and did not answer the questions set out in the consultation document. In these circumstances every effort was made to link responses to specific questions, where appropriate. Where this was not possible the essence of such responses was fully considered.

2. OVERVIEW

2.1 Most respondents opposed the introduction of a table-based valuation system and some argued for the retention of the existing compensation arrangements. A recurrent theme, and main concern, was that there are too few categories in the proposed system. Whilst valuations should be fair to both farmer and

taxpayer, it was also suggested by a number of respondents that a system based on averages would be unfair, as this would mean individuals would either gain or lose under it because very few animals would be worth the average value. Several respondents pointed to the fact that animals that are placed on the market do not necessarily reflect the standards of those that remain on farm and thus the average market value will not reflect the true value of animals. A number also refuted the suggestion of a link between disease control and the compensation system, arguing that delays in livestock removal were often the result of slaughtering capacity not being available. There was strong support for the introduction of an advisory group on livestock valuations regardless of whether the table based valuation system was introduced.

3. SUMMARY OF RESPONSES

Question 1: Do you have any comments on the way it is proposed to introduce a table valuation system?

Three respondents did not comment on this question and one respondent suggested that the consultation was a good starting point but would need to include more categories. Thirteen respondents were specifically opposed to the introduction of a table based valuation system primarily because the categories are too broad to cover all the circumstances and that issues such as breed, quality and type of cattle, including organic stock, need to be addressed. There was very strong opposition to table valuations for pedigree animals with respondents concerned, in particular, that the true value of the most elite animals could not be reflected in the proposed system. It was pointed out that the value difference between pedigree bulls of different breeds is just as apparent at pedigree level as it is at commercial level. Two respondents suggested that the Southern Ireland model for table valuation should be considered as it uses 100 categories, although it was noted that, if this model were adopted, there would be difficulty in populating the table with enough data to obtain a true average. Other comments included employing two valuers with one acting on behalf of the farmer and the other on behalf of the Assembly Government and that the farmer should have the right to appeal against a valuation made and the option to pre-value elite animals. Several respondents also raised the issue of consequential losses for farmers and that the compensation system should take account of such losses.

Question 2: Do you think that an advisory group on livestock valuations could play a useful role in helping the Assembly Government to maintain and develop practical, robust and fair valuation systems? If so do you have any views on what it might consider?

Eleven respondents agreed that the proposed advisory group on livestock valuations could play a useful role in helping the Assembly Government to maintain and develop a practical, robust and fair valuation system. The other six respondents offered no comments on the proposal. Those who commented suggested that membership of the advisory group could include representatives from the CAAV, RICS, LAA and CLA. As well as providing advice to the Government on a fair valuation system, it was suggested that the group might also monitor valuations and question any high valuations with the power

to exercise sanctions against any valuer who could not justify the level of value attributed. The group could also consider and advise on applications to become a registered valuer for the purposes of compensation for notifiable animal disease control.