

## Environment and Sustainability Committee

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Meeting Venue:  
**Committee Room 3 – Senedd**

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Meeting date:  
**27 February 2013**

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Meeting time:  
**09:30**

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Cynulliad  
Cenedlaethol  
Cymru

National  
Assembly for  
Wales



For further information please contact:

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### Agenda

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#### Informal session (private)

**1. Inquiry into waste management – scoping session (09.30 – 11.00)**  
(Pages 1 – 22)

Andy Phillips, Manager– National Studies, Wales Audit Office

#### Public session

**2. Introductions, apologies and substitutions**

**3. Contamination of meat products – Evidence from the Deputy Minister for Agriculture, Food, Fisheries and European Programmes (11.00 – 11.45)**

Alun Davies AM, Deputy Minister for Agriculture, Food, Fisheries and European Programmes

Gary Haggaty, Deputy Director, Rural Affairs

Geraint Williams, Food & Market Policy & Strategy Lead

**4. Contamination of meat products – Evidence from the Food Standards Agency (11.45 – 12.30)** (Pages 23 – 28)

E&S(4)–07–13 paper 1

Lord Jeff Rooker, Chair

Catherine Brown, Chief Executive  
Steve Wearne, Director Wales

## **5. Papers to note**

**5a. Scrutiny of the Minister for Environment and Sustainable Development –  
Additional information for the session on 21 February (Pages 29 – 33)**  
E&S(4)-07-13 paper 2

# Agenda Item 1

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## Environment and Sustainability Committee

E&S(4)-07-13 paper 1

### Contamination of meat products – Evidence from the Food Standards Agency

#### The Food Standards Agency

The FSA is a non Ministerial Government Department established in April 2000 under the Food Standards Act 1999 to protect the public's health and consumer interests in relation to food. As a Government Department, independent regulator and consumer protection body the FSA makes use of the best available evidence working with businesses to help them produce safe food, and with local authorities to enforce food safety regulations.

The FSA is a UK-wide department operating in an area of devolved responsibility. The FSA is accountable to the UK Parliament and to the parliament and assemblies in the devolved UK nations. The functions of the FSA include advising Ministers in each of the four administrations on issues within its remit. The remit of the FSA in Wales includes food safety, food standards (labelling other than nutrition labelling, composition and authenticity) and animal feed.

#### Genesis of the current incident

On 15 January 2012, the Food Safety Authority of Ireland (FSAI) issued a press release detailing the results of a small survey of processed beef products for DNA of other species. Tests had been conducted on 27 samples of burger and 50 samples of other food products (31 beef meat and 19 salami). Results indicated that many of the products contained traces of pork DNA (equivalent to less than 0.1% of the total meat content of the product being pork). Nine of the burgers showed traces of horse DNA and in one of the burgers, a Tesco Everyday Value product, the result indicated that horse constituted 29% of the total meat content.

The Tesco Everyday Value product had been manufactured by Silvercrest in the Republic of Ireland (RoI). The burgers with traces of horse DNA had been produced by Liffey Foods (RoI) and Dalepak (England). Burgers containing traces of pork DNA had been produced by each of these three plants..

The FSA had received limited information from the FSAI in advance of this announcement. In November 2012, at a regular liaison meeting between FSA and FSAI, the FSA was informed that FSAI was developing a methodology for testing for horse DNA in meat products, and that FSAI would keep FSA informed. FSA offered to conduct a joint sampling initiative at some time in the future should the methodology prove robust.. On 10 January 2013, the FSAI then advised the FSA they were undertaking some authenticity checks on meat products. On 14 January FSAI told the FSA that contamination had been identified and that some of the products implicated were distributed to Tesco and Iceland across the UK and to Lidl stores in Northern Ireland.

The FSA launched an urgent investigation and continues to work closely with other Government departments, local authorities and the food industry. In its four-point plan, published on 16 January, the FSA committed:

- 1) To continue the urgent review of the traceability of the food products identified in FSAI survey.
- 2) To explore further, in conjunction with the Food Safety Authority of Ireland, the methodology used for the survey to understand more clearly the factors that may have led to the low level cases of cross-contamination.
- 3) To consider, with relevant local authorities and the Food Safety Authority of Ireland, whether any legal action is appropriate following the investigation.
- 4) To work with the Department for Environment, Food and Rural Affairs (Defra), the devolved rural affairs departments and local authorities on a UK-wide study of food authenticity in processed meat products.

### Horse meat and risks

Horse meat, when hygienically produced in approved premises, is no more or less risky than other meat. There are five abattoirs in the UK approved to slaughter horses. None of these is located in Wales. Approximately 10,000 horses were slaughtered for human consumption in these abattoirs last year and virtually all would have been exported to continental Europe, mainly France, Belgium and Italy.

Concerns have been raised over the presence of a commonly used veterinary medicine, phenylbutazone or “bute”, in horse meat produced in the UK. Controls are in place to exclude horse meat containing “bute” from the food chain as in humans this chemical can cause a rare but serious blood disorder. On the basis of current evidence, it is not possible to identify a safe level of residues of “bute” in meat, but the Chief Medical Officer for England has advised that any risks from the consumption of horse meat containing “bute” would be very low.

As part of the system of controls the FSA, as the enforcing authority at abattoirs, has implemented a “positive release” system for horses slaughtered in the UK. This means that no horse carcass is released from the abattoir into the food chain until and unless it has tested negative for “bute”

The burgers that tested positive for horse DNA in the original FSAI survey were also tested for the presence of “bute” and all of the results were negative

### Food labelling and authenticity

It appears to the FSA that there are two different types of contamination occurring,

Where there is gross contamination, such as the Tesco Everyday Value burger implicated in the original FSAI survey, it is difficult to see how this could have arisen other than as a result of gross incompetence or deliberate substitution of horse meat for beef at some stage in its production.

The Food Labelling Regulations 1996 require that food is labelled with a minimum amount of information, including a list of ingredients. Any substance that has been

deliberately added during the production of that food must be included in the list of food ingredients.

Where trace levels of DNA of other species has been detected in processed beef products, it is possible that this has arisen through cross-contamination or carry-over between different product lines at some stage in the food chain. Traces of a substance not deliberately added during the production of a food need not be included in the list of food ingredients. However, it is the responsibility of food businesses at each stage in the chain to ensure that appropriate food safety and standards management systems are in place to address any risks such as cross-contamination or carry-over between batches.

#### UK sampling of processed beef products for horse meat

The FSA provided funding of £1.6m in 2012/13 to UK local authorities for the purpose of a national co-ordinated sampling and surveillance programme of food. This programme supplements other sampling activity undertaken by local authorities, and aims to help ensure risk-based targeted checks at ports and throughout the food chain. The key criteria for deciding what checks are conducted within this programme are:

- that there is evidence of a particular food or animal feed concern;
- that the issue relates to public health or consumer protection;
- that the issue is enforceable; and
- that analytical methods are readily available.

Sampling and analysis of processed beef products for horse meat has not been included in FSA-funded programmes since 2003 as, from that time up until the FSAI survey published last month, there has been no evidence or intelligence indicating that this is a significant concern.

Following the publication of the FSAI survey, the FSA was informed on 7 February of results which showed gross contamination by horsemeat of a Findus beef lasagne product. The supply chain leading to this product was entirely distinct from the supply chain leading to the Tesco Everyday Value burger product in the FSAI survey. The FSA therefore announced, that day, it was requiring the food industry to test all product lines of processed beef products such as beefburgers, meatballs and lasagne for gross contamination with horse meat (i.e. where undeclared horse meat present in a processed meat product represents at least 1% of the meat content), and that these results of these tests would be published.

The first set of industry results were reported by the FSA on 15 February. Of 2,501 test results, 29 tests were positive for horse meat above the 1% reporting limit, relating to seven products which the food industry had already reported to the FSA and which had been withdrawn from sale. We'll be releasing the next set of results this Friday. Further results will be published on 22 February and 29 February.

In parallel, the FSA has continued the UK-wide survey of processed beef products that forms part of the four-point plan announced on 16 January. This survey involves the taking of formal samples by local authorities across the UK which can be relied

on if formal enforcement action is needed. In the first phase of the investigation, 224 samples of raw minced beef products have been taken, including burgers, minced beef, beef sausage or meat balls were checked for horse and pork DNA. The second phase of this survey consists of 140 samples of beef-based ready-meals such as frozen, chilled or canned lasagne, chilli con carne, cottage pie, ravioli, cannelloni and spaghetti bolognese. A further, third phase is being designed to respond to the European Commission recommendation of co-ordinated testing in every Member State. The FSA will publish the results of these tests from the end of February.

### Investigating the food supply chain

The FSA has audited records from approved horse abattoirs in the UK, which led to investigations at Peter Boddy Licensed Slaughterhouse, Todmorden, West Yorkshire, and Farmbox Meats Ltd, Llandre, Aberystwyth. As a result of these investigations, conducted with Dyfed-Powys Police and West Yorkshire Police, three people were arrested on 14 February on suspicion of offences under the Fraud Act.

FSA officers entered three further premises in England with local authorities and the police on 14 February, one in Hull and two in Tottenham. Computers and documentary evidence have been removed from these premises, as well as meat samples that have been taken for testing.

The FSA has submitted a full file and evidence on this issue to Europol. The Agency has continued to provide information to Europol and this information has now been analysed by both Europol and law enforcement agencies in 35 countries – across Europe and elsewhere.

These investigations continue.

## Timeline (to 20 February)

15 January 2013	FSAI issued a press release reporting that analysis carried out on some of the meat products that had been tested, including beef burgers, contained horse and pig DNA
16 January 2013	FSA announces it is investigating urgently and outlines the four point plan for investigation
18 January 2013	Results of all burgers tested for bute are found to be negative
24 January 2013	FSA reiterates that horses treated with bute are not allowed in food chain
25 January 2013	FSA announces it has results of tests conducted by North Yorkshire Trading Standards.
1 February 2013	FSA announces it has called an urgent meeting of major retailers and suppliers on 4 February
4 February 2013	FSA and industry agree to publish testing programme  Horse meat is found in a Northern Ireland cold store
6 February 2013	Meat testing protocol published
7 February 2013	Findus Beef Lasagne products test positive for horse meat  FSA announces it is requiring a more robust response from industry
8 February 2013	FSA announces it has involved the police both here and in Europe  Aldi finds horse meat in beef lasagne and spaghetti bolognaise
9 February 2013	FSA and Defra demand more authenticity tests are carried out on all beef products
10 February 2013	FSA issues advice to public institutions
11 February 2013	FSA announces it has begun a system of positive release for horses slaughtered in the UK to ensure horse meat containing bute does not enter the food chain.



	Tesco find horse meat in some Everyday Value Spaghetti bolognaise
12 February 2013	FSA enters Peter Boddy Licensed Slaughterhouse, Todmorden and Farmbox, Llandre with police
14 February 2013	Arrests made by Dyfed-Powys Police on suspicion of offences under the Fraud Act
	Rangeland Foods withdraws burgers due to horse meat contamination
	Publication of latest bute test results on horse carcasses slaughtered in the UK
15 February 2013	FSA publishes first tranche of industry DNA test results on beef products
	FSA announces seizures of evidence in Hull and London
19 February 2013	FSA meat testing survey expanded
20 February 2013	Castell Howell Food Limited withdraws cottage pies as a precautionary measure.

John Griffiths AC /AM  
Gweinidog yr Amgylchedd a Datblygu Cynaliadwy  
Minister for Environment and Sustainable Development



Llywodraeth Cymru  
Welsh Government

Ein cyf/Our ref SF-JG-0399-13

Lord Dafydd Elis-Thomas AM  
Chair,  
Environment and Sustainability  
Committee  
National Assembly for Wales

20 February 2013

*Annwyl Dafydd,*

The Clerk of the Committee raised some further queries regarding my recent letter to the Committee and I would like to offer the following additional information.

### Questions 1 – 3.

My officials have been working with their colleagues at NRW to ensure that the Cash realisable benefits statement is based on the most up to date information and has been accepted by both the Welsh Government and NRW.

As a consequence Doc1 has been further updated to include additional costs such as increased pension contributions from 2014/15, Invest to Save contributions, potential voluntary exit scheme costs and other replicating parent body costs.

This shows that the latest estimate of benefits has improved by some £5m (not including inflation) since the business case. Costs have also increased, mainly because of increased pension cost estimates received from the EAPF within the last few days. These increases have arisen as a consequence of the deficit in EAPF, together with the need to make an allowance to cover the fact that EAPF (for NRW) will be a closed fund with increasing liabilities and reducing income over time.

As a general comment, I would emphasise that these figures are likely to change further as NRW takes the operational decisions necessary to implement the change.

Doc 2 which contained the details of the Cash Realisable Benefits Table extracted from the Business Case contained a number of transposition errors and these have now been corrected.

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*Wedi'i argraffu ar bapur wedi'i ailgylchu (100%)*

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#### Question 4

I can confirm there is no discrepancy in the figures between the revised business case and the supplementary budget. The additional £1m funding in the Supplementary budget is separate to the NRW restructuring budget, and is to cover biodiversity funding, in particular the Ecosystem Resilience and Diversity Fund which is allocated through the same BEL.

#### Question 5

With reference to inflation not being accounted for in the original forecast table at Doc1, and as I have highlighted in the answer to question 3, my officials and colleagues from NRW have recently redrafted the cash realisable benefits in the revised forecast, and I can confirm that inflation estimates based on similar assumptions as the business case are now included in the revised Doc 1.

#### Question 6

For 12/13 the £5.866m in the forecast table is made up of the original £4.0m restructuring budget, plus £2.866m contribution from the current delivery bodies, much of which was carried forward balances from the previous financial year, less £1.0m in respect of revenue to capital transfer as agreed during 2nd Supplementary.

I trust the above clarifies the queries raised by the Clerk, but if you need further clarification I would be pleased to provide further details as required

*Yn gelywir,*



**John Griffiths AC / AM**

Gweinidog yr Amgylchedd a Datblygu Cynaliadwy  
Minister for Environment and Sustainable Development



Business Case		<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19- 22/23</u>	<u>Total</u>
		<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
<b>Costs:</b>									
Capital		3,710	4,425	3,950	1,200	500	480	0	14,265
Revenue		3,792	5,473	6,351	7,100	4,210	4,051	8,460	39,437
Risk & Contingency			700	300	0	0	0	0	1,000
Inflation on Costs		150	376	600	663	471	544	1,110	3,914
Programme Costs	Wales Bodies (inc' overrun risk)	3,392	3,940	2,120					9,452
	FCGB	200							200
<b>Total Costs</b>		<b>11,244</b>	<b>14,914</b>	<b>13,321</b>	<b>8,963</b>	<b>5,181</b>	<b>5,075</b>	<b>9,570</b>	<b>68,268</b>
<b>Funded by:</b>									
Welsh Government	GiA	4,500	4,000	4,000					12,500
	Capital Fund bid	3,710	300						4,010
	Invest to Save bid	2,549	476	-1,513	-1,513				0
Wales Bodies contribution to Programme Costs		3,392	3,940	2,120					9,452
Cash Realisable Benefits	Baseline	0	6,962	9,298	12,389	14,118	14,232	71,159	128,158
	Inflation			186	248	282	285	1,423	2,424
<b>Total Funding</b>		<b>14,151</b>	<b>15,678</b>	<b>14,092</b>	<b>11,124</b>	<b>14,400</b>	<b>14,517</b>	<b>72,582</b>	<b>156,544</b>
Surplus/(Deficit)		2,907	764	771	2,161	9,219	9,442	63,012	88,276

Forecast		<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19- 22/23</u>	<u>Total</u>
		<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
<b>Costs:</b>									
Capital		5,018	4,761	1,950	1,200	500	480	0	13,909
Revenue		9,693	12,641	8,151	8,100	7,300	5,721	19,000	70,606
Inflation on Costs				202	376	477	511	2,834	4,400
<b>Total Costs</b>		<b>14,711</b>	<b>17,402</b>	<b>10,303</b>	<b>9,676</b>	<b>8,277</b>	<b>6,712</b>	<b>21,834</b>	<b>88,915</b>
<b>Funded by:</b>									
Welsh Government	GiA - Revenue	5,866	3,000						8,866
	GiA - Capital	1,000							1,000
	Rev to cap tfr	4,500							4,500
	Invest to Save - IT/HR	2,549	4,226	-1,513	-3,263	-2,000			0
GiA reduction									0
Cash Realisable Benefits	Baseline	0	4,052	6,187	13,054	13,493	16,009	80,645	133,440
	Inflation			124	527	826	1,320	12,027	14,824
<b>Total Funding</b>		<b>13,915</b>	<b>11,278</b>	<b>4,799</b>	<b>10,319</b>	<b>12,319</b>	<b>17,328</b>	<b>92,672</b>	<b>162,629</b>
Surplus/(Deficit)		-796	-6,124	-5,504	643	4,041	10,616	70,839	73,715

The NRW business case predicted the contribution to overall benefits from the merger shown in the table below:

Cash Realisable Wales Bodies : Benefits		<u>2013/14</u>	<u>2014/15</u>	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u> <u>-2022-23</u>	<u>Total</u>
		<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
	Amalgamation of Training Budgets of 3 Organisations	34	284	430	430	430	2,150	3,758
	Estate Rationalisation	633	633	634	634	635	3,175	6,344
	Finance non staff costs EAW	13	28	43	43	43	215	385
	Operational Field Workforce - rationalisation of fleet	315						315
	CIS net benefit	-806	-584	277	1051	1,077	5,385	6,400
	Comms' - item 3Public Info non staff costs	39	39	39	39	39	195	390
	Operational Field Workforce - Plant running costs	115	172	187	187	187	933	1,780
	Operational Field Workforce - Contracted out work	169	253	275	275	275	1,375	2,623
	Legal non staff	99	99	99	99	99	495	990
	Senior Manager salary savings	630	630	630	630	630	3,150	6,300
	Wales body Staff costs	406	915	1135	1615	1,667	8,336	14,075
	Unallocated HO costs from 2017/18	728	728	728	728	728	3,640	7,280
	Superannuation savings available from 13/14 paid in 11/12	667						667
Cash Realisable Benefits	EA Head Office	3,702	5,502	6,749	6,753	6,753	33,765	63,224
Cash Realisable Benefits	FCGB	217	599	1,163	1,634	1,669	8,345	13,627
Cash Realisable Benefits	Inflation on Cash Realisable benefits	0	186	248	282	285	1,423	2,424
<b>Total</b>		<b>6,961</b>	<b>9,484</b>	<b>12,637</b>	<b>14,400</b>	<b>14,517</b>	<b>72,583</b>	<b>130,582</b>