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CONFIDENTIAL - POLICY

BSE

From: T E D Eddy

Date: 20 May, 1994

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To: Miss Wordley - PPS/Minister

cc: PS/Parliamentary Secretary (C)

PS/Permanent Secretary

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Mr Capstick

Mr Meldrum

Mr Haddon

Mr Hollis

Mr Murphy

Mr K Taylor

Mr Rossington

• Dr Cawthorne

• Mrs K J A Brown

Mr Lebrecht

Mr Matheson - SOAFD

Mr Podmore - WOAD

Mr Toal - DANI

Mr Lister - DH

Mr Hill - Bonn

Mr Wallace - UKRep

1. Contrary to earlier reports that the Commission were not proposing a major new package on live animals or beef we have now been told that the Commission services have been instructed to put together a package covering both live animals and beef and to "leak" this to all Member States. Annexed to this minute is our current understanding of the proposed changes set against the existing rules for both live animals and beef. I must make the point that these proposals have not yet been cleared by the Commission and may yet change.

2. Somewhat surprisingly the proposals envisage a considerable relaxation of the rules for live animals. That would be very welcome to our exporters and allow the valuable breeding stock export trade to resume.

3. On meat there would be no change to the rules for boneless beef but on bone-in beef there would be a significant change. The rule whereby the period during which there must be no case of BSE on the holding would go up from two to four years. The only exception would be for animals born after the 1st January 1991 which would no longer be covered by the two year or the four year rule.

4. Just over 53% of our dairy herds and 12% of our beef herds would be directly affected by the four year rule compared with 45% and 10% under the current two year rule. Clearly this would be a reduction in our export opportunities particularly for the trade in bone-in cull cow beef to France which runs at between 50 and 60,000

tonnes a year. But that trade carries on with the existing two year rule and no doubt much would continue with the four year rule. This is the only area where the Commission are suggesting tightening up the rules and we may come under pressure to agree to this with a trade off on live animal exports if it is sufficient to end the German problem on BSE. Would the Minister be prepared to accept this at some stage in the negotiations as part of an overall settlement with gains on live exports?

Other elements of a package

5. The other proposals which are currently in play with the Commission are, as previously reported, on rendering and an EU-wide ban on the feeding of animal protein to ruminants. This would go further than our ruminant to ruminant ban. Informal consultations with our industry suggest that this would not cause us any problems if it included meal produced from pigs, which we do not feed to ruminants in the UK anyway, and meal produced from waste poultry meat. The Danes may have a problem on pig material. But the important detail is that our industry would have a problem if the ban included meal produced from feather waste. This is low grade protein and most of it ends up in ruminant feed. This is a point we will need to explore with the Commission but with this proviso, is the Minister prepared to accept in principle, an extension of the ruminant feed ban to include animal protein if proposed by the Commission?
6. The Commission would also be taking forward their work on rendering which the Minister will be aware of from earlier reports from Dr Cawthorne. Depending on the detail the UK industry is now making rapid progress towards meeting the new standards.
7. Finally there is the rest of the package which we might discuss with the Germans which involves:
 - (a) new guidelines for cosmetics based on the existing guidelines for medicines. Department of Health have already indicated that we could accept this;
 - (b) restrictions on baby food where we will be saying that we could support a Community-wide extension of our specified bovine offal ban to baby food but not the German idea of banning British beef in baby food to which we have already formally objected under the Technical Standards Directive;
 - (c) making CJD notifiable, which Germany already has plans to do and is not an issue for MAFF; and
 - (d) meat and bone meal exports where we can agree to a formal EU-wide ban on our exports since we already export nothing to the Member States because they all have national bans. We would not recommend agreeing to a ban on our exports to third countries and this has not featured in the recent discussions.

8. Is the Minister content that, in principle, we should negotiate with the Germans in the bilateral talks and indicate the concessions mentioned in paragraph 7 above?

Planned discussions

9. The official UK/German talks have now been set for 24 May, followed by a Ministerial level discussion which may take place on 26 May. Also on 26 May the Commission have called in the Attachés from the UK, Germany, France and Ireland to prepare them for the Agriculture Council discussion on BSE and to go over the package mentioned in paragraph 1 above.

10. At the official level discussions, if the Minister agrees, we can explore the package of measures outlined in paragraph 7 above. Would the Minister be content in principle to us going further and exploring elements of the Commission package mentioned in paragraphs 2 and 3, including the four year rule for bone-in beef? This would need careful handling since we do not want to prejudice the chances of success for any Commission package by suggesting to the Germans that it is an Anglo/Commission fix.

11. Would be Minister be content with this approach, making it clear than any concession on bone-in beef would have to be offset by relaxation of the rules for live animals which are fully justified by the current state of the epidemic and scientific knowledge? Would the Minister also be content for the official level meetings to discuss the ruminant protein ban with the Germans to clarify the position in relation to poultry material, particularly feather meal?

12. The next set of meetings will of course include the Agriculture Council itself, where BSE is likely to be taken on 31 May. That is because a meeting of the Scientific Veterinary Committee has been arranged for 30 May which will discuss the further report on rendering and the package the Commission put forward on beef and live animals. The current idea is that the Scientific Veterinary Committee will be asked to report back on the beef and livestock package within two months, but on rendering it will report immediately to a meeting of the Standing Veterinary Committee which will take place on 31 May. That will discuss the Scientific Veterinary Committee's views on the rendering study together with the Commission proposal for a ban on the feeding of animal protein to ruminants mentioned in paragraph 5. The Commission hope that the Standing Veterinary Committee will make a formal decision on both on 31 May. There will also be a meeting of the BSE sub-Group of the Scientific Veterinary Committee on 6 June which will look at the wider question of risk assessment in relation to BSE and Mr Mansito's views on the need to extend to pigs the decisions which by then will have been agreed on ruminant feed.

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13. The Commission game plan at the Agriculture Council is currently to refer to the proposals which have now been put to the Scientific Veterinary Committee but probably not to go into too much detail and not to invite a substantive discussion. They would also want to refer to the measures they already have in train for CJD surveillance, new guidelines for cosmetics based on those for medicines, rendering and the ruminant feed ban.

14. The Germans have also secured BSE on the agenda for the Health Council for 2 June as an Any Other Business item to allow Seehofer to report on national German measures. This would either provide the platform for him to announce the next steps, including a possible unilateral ban or a more low-key statement on the changes already in train and their initial reactions to the Agriculture Council discussion.

Comment

15. Matters are clearly moving very fast and the Commission have now crossed the rubicon in terms of deciding to look at the rules in order to stop the continual German pressure on BSE.

16. The Secretary has arranged a pre-briefing meeting at 5.00pm on Monday 23 May to discuss the official level meeting with the Germans and it would be very helpful to have the Minister's views, particularly on the questions in paragraphs 4, 5, 8, 10 and 11, before then so that we can take those into account.



T E D EDDY

CURRENT RULES

LIVE ANIMALS

No exports except:-

- (a) Calves under 6 months which are not the offspring of BSE cases which have to be slaughtered before the age of 6 months;
- (b) Animals temporarily imported into the UK after July 1988.

MEAT

BONELESS

Any boneless beef may be exported as long as all the obvious nervous and lymphatic tissue is removed.

BONE-IN

Bone-in beef can only come from holdings where there has been no case of BSE in the past 2 years

COMMISSION PROPOSAL

Any cattle born after 1 January 1991 could be exported other than the offspring of BSE cases and cattle from herds which have had a BSE case born after 1 January 1990.

No exports of cattle born before 1 January 1991 with the exception of temporary imports.

No Change

For cattle born after 1 January 1991 no restriction.

For cattle born before 1 January 1991 the 2 year period goes up to 4 years

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