DFA 21

Cattle Tracking

Draft Factual Accounts **23 November 1999**

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DFA 21 Cattle Tracking

This Draft Factual Account is a narrative of the consideration given to the desirability of improving the methods of identification and control of the offspring of BSE-infected cattle. In particular this DFA focuses on the events and documents surrounding the establishment, in January 1991, of the AHVG Animal Tracking System Feasibility Study and the consideration given to its conclusions.

1. On 27 May 1988 Mr Meldrum, Mr Cruickshank, Mr Rees and Mr Cowan met Mr Thompson (Parliamentary Secretary - Commons) to discuss the practical details and possible ramifications of the suspension of the use of animal products in cattle feed.[1] The minute of the meeting included the following:

> '7. Mr Meldrum raised the possibility of, when a disease had been confirmed, putting movement restriction orders on the progeny as well as on the infected animal itself. If this was done straight away it would avoid the problem of losing track of progeny when they had changed hands through markets. However the Parliamentary Secretary agreed that this should be a second stage, and take place only if events showed this to be necessary.'

2. On 28 June 1988, Mr Meldrum chaired a meeting between MAFF officials and industry representatives from the National Cattle Breeders Association (NCBA), the British Veterinary Association (BVA), the Milk Marketing Board (MMB), the National Farmers' Union (NFU), the Farmers Union of Wales (FUW), the Holstein Friesian Cattle Society (HFCS), the Royal College of Veterinary Surgeons (RCVS) and the Meat and Livestock Commission (MLC), among others. The minute of the meeting,[2] under the heading 'Progeny' stated:

> '21. Mr Wilesmith explained that monitoring the fate of progeny was desirable to assist research into the possibility of vertical transmission. The NCBA felt that too many restrictions were proposed for the existing evidence, though the NFU understood the need for research and thought, that provided the animals could be moved under licence and sold on, the restrictions were acceptable. The FUW pointed out the difficulties dairy farms might experience if they were required to hold beef cross-breeds on farms. Mr Meldrum said he understood this difficulty.'

3. On 17 August 1989, Mr Cruickshank minuted Mr Lowson concerning the disposal of bovine offals. His minute included the following:

> 'Reverting to the question of maternal transmission, ...we do need to be quite sure that we can effectively identify the offspring in question, so that if maternal transmission is established we shall be able to take effective action at that time. Would it be possible to produce an assessment of the

[1] YB88/6.2/3.1-3.3

[2] YB88/7.5/3.1-3.7

reliability of the movement records so that we can form a view on the need for any further action to tighten up our arrangements?'[3]

4. On 6 September 1989 Mr David Curry minuted Mr Gummer. The minute included the following:

'1. I am concerned that we should be well-prepared should we find the BSE situation deteriorating.

Briefly there are three scenarios

The disease is confined to contamination by feed: This presents no new problems in eradication – it is a question of time;

The disease is transmitted from mother to daughter. This extends the eradication period but does not represent a qualitative new problem;

a) The disease is transmitted from animal to animal. This is a serious new problem.

2. I think we should address 2 issues which arise

a) in the worst scenario we will be hampered by the absence of comprehensive records of animal breeding and movement. I have asked officials for a note on how we could tighten and extend those records which are held without legislation;…'[4]

5. On 19 October 1989 Mr Lowson minuted Mrs Reay (PS/Mr Curry) attaching a note from Animal Health Division on the points Mr Curry had raised in his minute to Mr Gummer of 6 September 1989.[5] The note included the following:

'Vertical Transmission

3. There has been to date no evidence of maternal transmission of the disease. But Southwood pointed out that maternal transmission, if it should occur, would be unlikely to manifest itself before 1990; and scrapie in sheep, which shares many of the characteristics of BSE, is transmissible from ewe to lamb (though we do not know what the mechanism is). In principle, maternal transmission could occur either before or after birth, or both, by a variety of routes. An extensive experiment into whether BSE can be transmitted from mother to calf is under way but we will not have results for some years. If it occurs, we might see evidence of maternal transmission within a year or so, but we cannot be sure that it does not until the end of the experiment in 1996.

4. If transmission occurs only between mother and offspring, present measures should still achieve eradication. Only one of every 5 calves born to affected cows is kept to an age at which BSE is likely to manifest itself

[3] YB89/8.17/1.1

[4] YB 89/9.6/1.1

[5] YB89/10.19/8.1-8.10

clinically. As an effective contact rate, between infected animals and susceptible animals, of 1:1 or greater is required to maintain an epidemic, BSE would still die out, but over a longer time-scale than if transmission does not occur.

Horizontal Transmission

5. It is not yet known whether horizontal transmission of BSE can occur in the field and the evidence from other transmissible encephalopathies is contradictory. In most there is no evidence that it occurs, but scrapie is a significant exception to the rule.

6. Horizontal spread of scrapie is thought to be through other sheep having contact with the placentae of infected ewes. This presents a major problem in sheep because of the husbandry practices used, with many ewes lambing in open fields in the presence of other sheep. Cattle are more often isolated while giving birth. If infected placentae appeared to be the transmission mechanism, it would be theoretically possible to control such spread by requiring the isolation of all cattle giving birth and the removal and destruction of the placenta. But this would pose enormous problems of control and enforcement and it would be necessary to reassess the practicability of eradication, which would at best be much more costly and take much longer than is currently estimated.

Implications of transmissibility for control

7. We are already under some pressure to slaughter all offspring of infected cows. This pressure would undoubtedly increase if maternal transmission was proven. The offspring experiment (see para 3 above) will establish whether or not maternal transmission occurs. But if it does, the results are unlikely to show at which point in the development of the disease a cow passes infection to its calf, or whether transmission is only maternal. If transmission is maternal only the disease should die out anyway (see para 4), so slaughter of all known offspring may not be necessary to eradicate the disease. But the appropriate course to be followed could be decided upon only once we have the results of the transmission research; if, for example, evidence suggested that it was possible for resistance to BSE to be bred into the offspring of affected cows, a slaughter policy could be counter-productive. As indicated above, if it becomes apparent that the disease can be transmitted outside the mother/offspring route, our whole eradication policy will need to be reassessed.

8. The main problem is pursuing a slaughter policy in the event of maternal transmission would be in tracing the offspring of cows that develop BSE. As part of our epidemiological studies we record the known offspring of all cases of BSE but cannot identify those born while the cows were in previous ownership. Currently we are aware of some 3,500 offspring of BSE cases.

9. The BSE (No 2) Order 1988 has provision for the SVS to restrict the movement of any animal and to mark offspring of suspect BSE cases so they can be identified. An undertaking not to use these powers in the absence of evidence of maternal transmission was given to the industry when they were introduced. The identification of offspring would therefore

depend on the epidemiological records collected by veterinary officers and kept by the Central Veterinary Laboratory and on breeding and movement records kept by farmers.

10. Farmers are required to keep movement records showing breed, age, sex and ear tag number of animals moved under the Movement of Animals (Records) Order 1960 (except for those going for slaughter). These are generally sufficient to enable the movement of a specific animal to be traced, but they have to be retained for only 3 years. Because BSE has a long incubation period we might need to trace back further than this. Some records that might be needed in future have no doubt already been destroyed. But it would nevertheless be prudent to amend the Order to require retention for a longer period, and this is recommended; as one case has been identified of a 9-year old cow showing the disease, a 10-year period would be reasonable.

11. There is also the question of identifying the offspring themselves. There is no legal requirement for farmers to keep breeding records and only a minority of non-pedigree herds do so. Without such a legal obligation we could not guarantee to identify all offspring. At first sight this is unlikely to present a major problem as it appears that a very high proportion of offspring remain for a considerable time on their farm of birth. Officials will however examine further whether it would be appropriate to require farmers to maintain records of progeny.'

6. The conclusion to Animal Health Division's note read as follows:

'15. The Parliamentary Secretary is invited;

(i) to note the information set out above on the transmissibility of the disease;

(ii) to agree to a change in the Movement of Animals (Records) Order 1960 to require farmers to retain appropriate records for 10 years rather than 3; and

(iii) to agree that there are no grounds for seeking to increase the level of compensation for BSE cases.

7. In a statement to the Inquiry, Mr Meldrum said that:

'In the event, the issue of breeding and movement records for cattle were subsumed within the discussions on maternal transmission and the need to deal with the offspring of BSE affected cattle. The suggested control measures for dealing with the possibility of maternal transmission included the improved identification of calves and controls on the movement of offspring.'[6]

8. On 22 February 1990, Mr Lowson put forward a submission to Ministers attaching a note from Animal Health Division on maternal transmission. Mr Lowson's covering minute said: 'I attach a note on the action that

[6] S Meldrum 2 (WS184A), para. M4

could be taken in advance of conclusive evidence about the transmissibility of BSE.'[7]. Attached to the note was a paper by the SVS on the background to the possible transmissibility of BSE and possible responses. Animal Health Division's note included the following:

> '11…The SVS paper recommends that we should go somewhat further and require records to be kept in respect of animals which do not leave the farm. Work to update the legal requirements should now be given top priority.'

9. The SVS paper included the following under the heading 'Possible Control Measures':

> '12. The following possible control measures, which would be additional to those already in operation, are listed in order of increasing severity.
>
> (a) Improved identification of calves. Many of the measures which will be considered depend on the accurate identification of the offspring of affected animals. Such records are readily available in pedigree herds, but in commercial herds the identification of calf to dam is dependent on the farmers' interest and management practices. There is no statutory requirement to make or keep such records: only to identify cattle in the ear within 14 days of birth (and sooner if moved off the farm) and record the details of animals sold. A requirement to keep details of the identity of the offspring of every cow, and to retain these details for at least 10 years, would provide accurate information on which any future action which proved necessary could be based. This action is recommended, irrespective of any other measures adopted. This would be in addition to the record that MAFF keep on computer of all progeny of confirmed cases of disease.
>
> ….
>
> 13. To maintain an epidemic of a fatal disease in a population it is necessary that each case gives rise to at least one more case before dying. If we assume that the main source of infection (contaminated feed) has already been eliminated the only possible means of spread in future is maternal transmission with, or without, horizontal transmission.
>
> 14. Maternal transmission alone is incapable of maintaining the epidemic. It has been calculated that only one in five calves born is kept for breeding. On average each BSE cow will have produced 2.5 calves (para 10(a)), so even if maternal transmission were to occur invariably the disease would, on this scenario, be self-limiting, although the number of cases would be greater and the time taken longer than if there was no maternal transmission….'

10. On 14 March 1990, Mr Meldrum, Mr Cruickshank, Mr Capstick, Mrs Attridge and Mr Lowson (among others) met with Mr Maclean and Mr Curry in order to discuss, among other things, Mr Lowson's

[7] YB90/2.22/3.1-3.15

recommendation on improved identification of calves. Under the heading 'Improved identification of calves' the minute of the meeting[8] stated:

> '2. Mr Curry noted that this course of action was strongly recommended by the SVS paper. Mrs Attridge was concerned to ensure that the proposed record keeping would be effective, because the reputation of farmers keeping reliable records was not good. Mr Cruickshank said there was a need to consider whether the resources were available to do the job effectively and whether the cost would be proportionate to the benefits. Mr Meldrum explained that the proposed requirement to keep records on the identity of calves would apply to all offspring of all cows and would supplement existing movement records. It would not, therefore, be a major step to require a proper breeding identification system. The meeting endorsed the need for an improved identification system for calves, in principle, but recognised that there was a need to explore further the question of resources and practical implications to ensure effective results were achieved. Mr Curry requested that a paper be prepared to explore these aspects.'

11. In April 1990 the Wilson Committee was set up by the MMB in conjunction with the NCBA. It comprised Professor Peter Wilson (Chairman), Tom Kelly (Genus Management), Professor David Leaver (Wye College), Duncan Spring (Holstein Friesian Society), Chris Bourchier (MAFF observer) and Frank Armitage (Secretary)[9]. Its terms of reference were as follows[10]:

> 'Review existing systems of cattle identification, milk recording and genetic evaluation which currently operate in the UK.
>
> Establish perceived needs of the industry in the 1990s and beyond with regard to the provision of information so that the UK is not placed at a disadvantage compared with other EEC countries by unnecessary duplication of effort and costs.
>
> Recommend appropriate changes should existing systems and resources be considered inadequate.
>
> Include proposals on how changes might be structured and in which organisation, or organisations they might be positioned.
>
> Consider the timescale of transition towards any recommended change.
>
> Consider methods and options through which any changed system might be funded.
>
> Consider a national and regional structure which would be necessary to ensure that the views of both producers and the users of any recommended system were properly represented.'

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[8] YB90/3.16/3.1-3.4

[9] YB91/2.1/1.1-1.4

[10] YB90/8.6/4.1-4.2

12. On 5 April 1990 Mr Lowson put forward to Mr Maclean a further submission on movement and breeding records[11]. The submission included the following:

> 'BSE: MOVEMENT AND BREEDING RECORDS
>
> 1. Ministers asked for a paper on how arrangements could be made to improve the identification and tracing of calves born to dams which are subsequently found to be affected with BSE.
>
> Present Arrangements
>
> 2. Under legislation to deal with tuberculosis, every bovine animal must be marked by ear-tagging, unless it is less than 14 days old and is not moved off the farm except to a slaughterhouse. The tag contains a number which is unique to the animal concerned and from which the farm of origin can be identified.
>
> 3. In addition the Movement of Animals (Records) Order 1960 requires farmers to keep records for movements of cattle onto or off their premises, showing the breed, age, sex and ear tag number of each animal moved, the date of movement, and the addresses of the premises between which they are moved. These records have to be maintained for 3 years.
>
> Proposed Changes
>
> 4. In the light of the possibility that BSE may be found to be transmissible from cow to calf, these requirements fall short of the arrangements which might be needed to deal with the disease, because
>
> (i) there is no legal requirement for farmers to maintain breeding records, ie. Those which would enable an individual calf to be related to its dam; and
>
> (ii) because of the long incubation period of BSE, the requirement to maintain movement records for 3 years is insufficient.
>
> It is therefore proposed
>
> (a) to introduce a requirement that farmers should maintain records which show the breed, sex and ear number of each calf; its date of birth; the identity of its dam; and
>
> (b) to require that such records, and movement records currently required under the 1960 Order, should be retained for 10 years.

13. Under the heading 'Effectiveness in Practice' the submission stated:

> '8.By making these changes we would be laying down a framework which in theory should enable us to identify and trace all calves born to BSE cases. In practice the extent to which this objective is achieved will depend on the industry's marking animals and keeping records properly.

[11] YB90/04.05/2.1-2.5

Enforcement normally rests with Local Authorities but their input is minimal and enforcement is undertaken in practice by Ministry staff and LVIs who already visit cattle holdings for other purposes once or twice a year. On these visits it is possible only to check that records are kept, not that they are accurate or properly maintained. Neither will it always be possible to trace an animal from its ear tag. Tags sometimes fall out, or are absent, or have been replaced by tags with new numbers. Nevertheless, short of applying a separate mark to BSE offspring, which would involve considerable extra manpower and would still not be foolproof (eg. if a cow goes down after producing several calves) the proposed changes appear to be the most practical solution. They would certainly facilitate the tracing of a much higher proportion of offspring than is at present possible.'

14. On 17 April 1990 M Hill (PS/Mr Maclean) replied to Mr Lowson by a manuscript note on Mr Lowson's covering minute to the submission. The manuscript note read:

'Thank you. The Parliamentary Secretary (Mr Maclean) agrees with what you propose'.[12]

15. On 3 May 1990 the Women's Farming Union (WFU) issued a news release on BSE policy[13]. The news release read as follows:

'WFU believes that to prevent vertical transmission MAFF should introduce a slaughter policy for the progeny of BSE cattle.

That henceforth breeding records must be accurately kept, assisted by the early introduction of electronic identification.

That all animals sold should carry a certificate stating that as far as it is known they are not the progeny of a BSE animal.

That semen from BSE bulls should be withdrawn and destroyed.'

16. On 16 May 1990 the House of Commons Agriculture Select Committee (the 'Agriculture Select Committee') began an Inquiry into Bovine Spongiform Encephalopathy. The Agriculture Select Committee was chaired by Mr Jerry Wiggin.

17. On 17 May 1990, the MAFF Food Safety Directorate issued a News Release setting out SEAC's initial opinion on the control of BSE in cattle.[14] The news release, under the heading 'Advice to Agriculture and Health Ministers from the Tyrrell Committee on Breeding from the Offspring of Cows that had BSE', included the following:

'Because the likely origin of the epidemic has been eliminated, the outbreak in cattle will be self-limiting unless infection can be spread freely between cattle - in which case restricting breeding would be pointless. So

[12] YB90/04.05/2.1

[13] YB 90/5.3/8.1

[14] YB 90/5.17/11.3

at best, restricting the use of the offspring of BSE cattle would accelerate the decline that was likely in any case. Because of the possibility that sub-clinically affected animals might infect their offspring, not all potentially infected calves might be identified, which would reduce any benefit. Other possible consequences might even be unhelpful, since it could lead to the increased dispersal of infected animals to other herds, and to the loss of valuable genetic material. We support MAFF's intention to impose more stringent requirements to secure better records of cattle, their offspring and their movements. In any case, vertical transmission, if this is found to occur, would make no difference to the remoteness of the hazard for humans.'

18. On 30 May 1990 Mr Maslin circulated the associated compliance cost assessment for comment. It re-emphasised the rationale for the revised record keeping arrangements proposed by Mr Lowson [15] Mr Maslin stated:

'The purpose of these changes is to improve the identification and tracing of calves born to dams which are subsequently found to be infected with Bovine Spongiform Encephalopathy (BSE). While there is still no evidence that BSE can be transmitted from an affected dam to its calf, research in progress may show this to occur. Should it do so, it may be necessary to introduce further animal health control measures in order not to delay the eradication of BSE. A pre-requisite of any such measures would be the ability to trace the offspring of BSE cases for which current record keeping requirements are not sufficient.'

19. On 20 June 1990, the Agriculture Select Committee heard evidence from the NFU and the MLC[16]. Both organisations were in favour of central, computerised records for cattle. During the evidence of the MLC to the Agriculture Select Committee, the following was said:

'(Mr Maclean)...There is a computer system established for the progeny of affected cows now, it is running and the Government will know where they all are. The development of a wider system, of which there is an initial model in the Northern Ireland Agriculture Department which actually does monitor, from a health point of view, what is going on in that country, could be deployed, modified, in this country, although that would take some significant time. It is too cumbersome at the moment. So some of the mechanisms are there, if the money is actually there to deploy them.

371. Can you tell us a little bit more about the register which is already established?

(Mr Maclean) That is with the Northern Ireland Agriculture Department.

372. No, before that you said that the progeny of all cattle were currently being recorded.

[15] YB90/5.30/1.1-1.3

[16] IBD 1, Tab 7, page 102 on

(Mr Maclean) The progeny of all cows that have been affected with BSE are currently recorded by the Central Veterinary Laboratory at Weybridge. The unique ear tag and its herd number is being logged. That animal will therefore be traceable.

373. So we are really quite a long way down the road of identifying progeny?

(Mr Maclean) We have done it, Chairman.'

20. At a MLC oral hearing, Mr Maclean told the Inquiry, the following[17]:

'…We were assured, at that time, and therefore gave our support to Government that the BSE computer in Weybridge that was recording the BSE cases did have the capabilities to handle the problem, i.e. to find the animals that were actually infected, that were all recorded, and therefore had the competence to trace the progeny of those animals, which was an issue.'

MR WALKER: Who gave you that assurance?

MR MACLEAN: Government officials. I mean, that would come through from the -- it is bound to come through from the Chief Veterinary Officer or one of his staff.

MR WALKER: Was that assurance -- did that assurance turn out to be correct in practice?

MR MACLEAN: Not completely. I think it is fair to say that the tracing of the cases, and it is true that they did know where all the cases were and had good records of those. I believe, therefore, that they had the competence to trace the progeny. So the answer to the question of can it be traced, in the simple form, correct. Then because of problems in the industry, loss of ear tags and vast movement of animals and so on and so forth, the ability to find that progeny, then that possibly was not -- perhaps that confidence should not have been quite as strong as it was.

21. On 20 June 1990, Mr Meldrum told the Agriculture Select Committee that:

'I believe we have something in excess now of 7,000 cattle recorded on our computer being the female offspring of BSE infected cows. There are a few males as well but mainly we have been recording the female offspring. We are limited to the information given to us by the farmer at the time of the inquiry; he may not be able to cast his mind back one or two years to know all the offspring. Certainly all the female offspring which are reported to us are recorded on computer, therefore we have the unique identification number of that calf. If we wanted to trace those calves, we would start on the farm where the case of BSE was confirmed, and we would move forward using their movement records, which they have to keep by statute, until we find the cow when it has been sold on to market, because they are uniquely identified for all their lives. When we trace for other reasons, for break-outs of tuberculosis and brucellosis, we have had a

[17] T59, Page 38 on

very high success rate of finding them when they have moved off the farm.'[18]

22. On 27 June 1990 MAFF submitted a supplementary memorandum to the Agriculture Select Committee[19]. Under the heading 'Recording Ear Numbers of Offspring of BSE Affected Cattle', the memorandum read as follows:

> 'Ear numbers of BSE affected dams have been recorded on computer since 9 June 1987. However, retrospective information has been recorded where it is available. This includes details of the presumed earliest cases in 1985. At the time of writing, details of 7,321 female offspring are stored on the computer.'

23. On 27 June 1990, Mr Gummer gave evidence to the Agriculture Select Committee that:

> '...we do have detailed computerised records of the offspring of all BSE dams. Those are held by the CVL – the Central Veterinary Laboratory. All farmers have to maintain records of animal movements from three years. We do have that information. We use that information very effectively in dealing with other kinds of diseases which are different in their effect. I think it would be wrong to say we did not have an effective method. What we are concerned about and the changes we have made – which are not hurried but sensible changes -is BSE, if we are dealing with maternal transmission of course you can only start by dealing with maternal transmission at the point at which you have stopped feeding the feed. Three years is not a long enough period to keep the records. We have extended the period records have to be kept to ten years and we have been recording the ear numbers of BSE infected dams since 9 June 1987 which in terms of the timetable of which you speak seems to be not an unreasonable reaction. I believe we have now got a system which is an effective one. We have extended the time. I am looking at the possibility of using a similar system to that which is used in Northern Ireland but so far it does not seem to be the right answer…'[20]

24. On 2 July 1990, Mr Maslin minuted Mr Meldrum, Mrs Attridge, Mr Crawford, Mr D Evans, Mr Lowson and Mr K Taylor (among others). His minute was entitled, 'BSE: Breeding and Movement Records for Cattle' and included the following[21]:

> 'Computerised system
>
> 10. This is a point the NFU raised with the Select Committee. I believe we should arrange a meeting with them as soon as possible and persuade them that it must be looked at after the current proposals are enacted.'

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[18] IBD 1, Tab 7, page 130

[19] IBD 1, Tab 7, page 155

[20] IBD 1 Tab7, page 176

[21] YB90/07.02/7.1-7.3

25. On 4 July 1990 Mr Crawford minuted Mr Maslin's in response to his minute of 2 July 1990. [22] Mr Crawford's response included the following:

> '6. Retaining and updating breeding records centrally would be a very large commitment and the first question would have to be, what is the purpose and can it be justified. I agree that the NFU should be advised that it is a topic for consideration at a later date.'

26. On 10 July 1990 Mrs Attridge minuted Mr Meldrum concerning breeding and movement records for cattle[23]. Her minute included the following:

> '2. On the identification system, the important thing is to ensure that the records will be adequate to check back and get the information needed. There are attractions in a fully computerised system but I expect it will be some time before this is a practical reality.'

27. On 12 July 1990 MAFF's Food Safety Directorate issued a news release entitled 'Tyrrell Committee Report on the Control of BSE in Cattle.[24]' A copy of SEAC's report was attached to the news release. Annex II to the report, entitled ' The Lessons from Scrapie for the Eradication of BSE' included the following:

> '3. The second factor is that selective culling requires the prior existence of sufficient flock records in the female line. These rarely exist outside some pedigree flocks. We therefore strongly support the Government's intention to require that details be kept of all offspring of every cow for at least ten years. These records would form the basis of a BSE eradication scheme if this should become necessary.
>
> 4. An effective scrapie eradication programme requires detailed movement and breeding records for sheep. The lack of this is the third factor which undermines the control of scrapie. There are many instances where the spread of scrapie has been associated with the movement of sheep, both within and between countries. Sooner or later, even a pedigree breeder requires bought-in flock replacements and the success of any scrapie control programme will then be jeopardised by the introduction of sheep of unknown status with regard to scrapie. However, this problem will not apply to BSE once the proposed legislation has taken effect.'

28. On 12 July 1990, the Report of the Agriculture Select Committee was published[25]. The Report included the following:

> '17. If vertical transmission were proved to take place, the policy implications would be substantial. The slaughter of the offspring of BSE infected cattle or a ban on breeding from these offspring might be warranted on precautionary grounds. Britain's substantial export trade in cattle, semen and embryos would be badly hit.

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[22] YB90/07.04/17.1

[23] YB90/07.10/17.1

[24] YB90/7.12/11.1-11.12

[25] Fifth Report from the House of Commons Agriculture Select Committee, 1989-1990 session. It was ordered to be printed on 10 July 1990 IBD 1 Tab7

18. The available scientific evidence is inconclusive whether vertical transmission of the disease is likely: it is certainly not a development which any expert seemed prepared to rule out. We examine the consequences of this conclusion in a later section.

19. …In summary, breeding and herd replacement patterns, combined with the age at which BSE commonly develops, make it unlikely that BSE would be self-sustaining in the national cattle population, even if maternal transmission took place.

…

22. In summary, it seems likely that BSE will die out in cattle now that feeding cattle scrapie-infected feed has been banned; but the Southwood Committee did not rule out the possibility of cattle-to-cattle transmission of the BSE agent.'

29. Paragraphs 60-62 of the report stated:

'60. Suppose in two or three years time research demonstrates conclusively that maternal transmission of the BSE agent is possible? The Ministry will need to act swiftly, in the light of such a conclusion, to identify, examine and, if necessary, slaughter many thousands of cattle which may have been affected by this route. If it does not have the necessary information, it will not be able to do this satisfactorily: **a comprehensive system for identifying and tracking animals is needed.** MAFF is seized of this point - which Sir Richard Southwood has also emphasised - and has consulted the NFU and other interests about possible ways of achieving this.

61. At present what is proposed is:

(i) an early amendment to the Movement of Animals (Records) Order 1960, requiring farmers to keep cattle records for 10 years rather than the present 3 and maintain fuller breeding records; and

(ii) a comprehensive revision of that Order.

We welcome these proposals but urge MAFF to move towards the full centralised computerisation of the relevant information and not rely on a complicated paper-chase through farmers' records. Some computerisation is already in place, in that the ear numbers of offspring of BSE-affected dams have been recorded on computer since 9 June 1987. But there is a danger of settling for some sort of half-way house in which only first generation offspring of known BSE cases are monitored effectively. Cows can have calves when they are less than two years old so, because the disease's incubation period is much longer than that, a cow can be a grandmother and great grandmother several times over before her sickness is diagnosed. Better techniques for identifying cattle are also required. One in ten cattle lose their ear-tags during their lifetime and better methods such as implants and freeze-branding are now available. **The logging of the parentage and movements of all cattle, and the retention of that information in a central database, must be the objective of any scheme MAFF introduces. Every individual bovine**

animal should be traceable from birth, much the same way that a car is.

62. Such arrangements already pertain in Northern Ireland and we believe that, with the technology now available and the expertise held by bodies like the Milk Marketing Board, MAFF can have not excuse for not introducing them in the rest of the United Kingdom at an early opportunity. They will form a useful adjunct to the control of BSE and other diseases of cattle and funding for this purpose should be made available without delay, with the initial costs being met by MAFF.'

30. In a statement to the Inquiry, Mr Lowson said[26]:

'The House of Commons Agriculture Committee report **IBD 7 (Vol IBD 1 Tab 7)** called for the introduction of a computerised tracking system in order to deal with the possibility that BSE might prove to be transmissible from cow to calf and that as a consequence rapid action might be needed to slaughter the offspring of all cases (see paras 60-62 of **IBD 7 (Vol IBD 1 Tab 7**). As had been made clear to the Committee, measures were in place already to meet the possibility of maternal transmission, ie:

- enhanced movement and breeding records and

- computerised records of the offspring of known BSE cases (see evidence from NFU and MLC at paras 370-373 in **IBD 7 (Vol IBD 1 Tab7)**

MAFF witnesses explained these measures to the Agriculture Committee,, which welcomed them (see paras 13 –18 of the Government Response to the Select Committee Report **IBD 10 (Vol IBD 1 Tab 10).**'

31. In a statement to the Inquiry[27], Mr Meldrum said:

'By way of further background, it is important to note the context in which the recommendations in the Fifth Report of the Agriculture Committee on identifying and tracking cattle were made **(IBD7, Vol. IBD1, Tab 7)**. The Agriculture Committee was postulating that maternal transmission of BSE would be conclusively demonstrated to occur two or three years' later (as from 1990) and that if this were to occur MAFF would need to act swiftly to trace, identify, examine and, if necessary, slaughter many thousands of cattle. This was the basis upon which it was recommended that a comprehensive system for identifying and tracking animals was needed. However, this recommendation failed to take account of the time needed to set up any system and that it would be very difficult to capture retrospective data.'

32. Sir Derek Andrews said in a statement to the Inquiry[28]:

[26] S Lowson 3 (WS104B), para 27

[27] S Meldrum 7 (WS184E), para E3

[28] S Andrews 2 (WS281A), para 235

'The Select Committee's assumption, and the analysis on which it was based, were not endorsed by MAFF's advisers. The SVS had advised that slaughter of offspring was not necessary to control BSE. In paragraphs 13 and 14 of their paper of 22nd February, 1990 the SVS stated that:

> 'to maintain an epidemic of a fatal disease in a population it is necessary that each case gives rise to at least one more case before dying … maternal transmission alone is incapable of maintaining the epidemic. It has been calculated that only one in five calves born is kept for breeding. On average each BSE cow will have produced 2.5 calves …, so even if maternal transmission were to occur it is likely the disease would, on this scenario, be self-limiting, although the number of cases would be greater and the time taken longer than if there was no maternal transmission. **[YB90/2.22/3.1-3.15 at 3.12-3.13]**.'

The feasibility study

33. On 17 July 1990 Mr Lowson, Mr Capstick, Mr Meldrum, Mrs Attridge, Mr Dugdale and Mr Taylor met with Mr Andrews to discuss the government's response to the Agriculture Select Committee's recommendation[29]. The minute of the meeting included the following:

> '(v) Paragraphs 61 and 62: It was concluded that when recording parentage it was only necessary to identify the dam. This point would need to be explained to the Select Committee. It was considered that in the longer term there would be electronic identification of cattle. In the meantime one would need to tighten up the present arrangements where it was possible. This point would need to be covered in the advice to Ministers. It was agreed that ITD should be asked to initiate a study into a computerised system for identifying and tracking animals. This study should be referred to in the response to the report.'

34. On 19 July 1990 Mr Lowson minuted Mrs Attridge enclosing, for comment, a draft submission for Mr Curry on the Agriculture Select Committee's Report. Mr Lowson's minute and the draft submission was copied to Mr Meldrum, Mr Crawford, Mr Griffiths, Mr Selwood (ITD), Mr Bradley and the territorial departments (among others)[30].

35. On 23 July 1990 Mr Shannon (DANI) sent a letter to Mr Lowson in which he commented on the draft submission[31]. His letter included the following:

> '…the only point needs kept in mind (sic) is the potential requirements of transit and welfare records of EC. Computerisation may be forced because of these otherwise herd-owners records should be sufficient.'

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[29] YB90/7.18/3.1-3.4

[30] YB90/07.19/7.1

[31] YB 90/7.23/12.2

36. On 23 July 1990, Mr Scott (DAFS) minuted his colleagues in DAFS with comments on Mr Lowson's draft submission[32]. Mr Scott's minute included the following:

> '3. Record Keeping. I need to get rather more to grips with MAFF on this one than I have been able to do to date. I think we have to move to a more centralised (and therefore computerised) record than has been put forward to date, but we have not had the opportunity to look at its implications (or its possible benefits, and in what timescale); we need to discuss and do it properly, rather than now to have something, and then something else, and then something else again, which is the way in which this one is beginning to look.'

37. Under the heading '9. Resource Implications', Mr Scott's minute included the following:

> 'c) on government, if we had to set up and maintain a centralised register of all bovine animals in GB (10-11 million, with heaven-kniws [sic] how many movements a year). This would, of course, be disproportionately expensive in Scotland.'

38. On 24 July 1990, Mr Lowson minuted Mr Lebrecht (PS/ Mr Gummer) attaching a submission for Mr Gummer on the Agriculture Select Committee's Report. His covering minute included the following: 'I attach a submission to the Minister on those issues on which we need guidance before we can start drafting a response to the Select Committee Report.'[33] Under the heading 'Record-keeping' the submission stated:

> '7. The Committee welcomes MAFF's intention to improve the record-keeping requirements of existing Orders. But it urges in addition that MAFF should move towards the full centralised computerisation of relevant information and further should fund the initial costs of such development.
>
> 8. A comprehensive system would need to identify and locate each female bovine animal (of which there are 7.8 million in GB) and show its parentage and offspring. Updating would be needed whenever an animal moved or died (i.e. perhaps some 3-4 million changes per year). (By comparison the DVLC holds data on 24 million vehicles and records some 14.4 million vehicle transactions per year.) The value of the computerised information would still depend on the reliability of the identification systems and of the data recorded by farmers. These considerations means that commitments about a computerised system should not be taken lightly; and in the absence of a European standard for electronic identification (without which the manpower requirement would be even larger than it will in any case) firm decisions would be premature.
>
> 9. Furthermore such information may never be needed for the control of BSE. It would be required for disease control purposes only if the disease turned out to be transmissible in a way that confounded our expectations

[32] YB 90/7.23/13.1

[33] YB90/07.24/13.1-13.12

that it would die out of its own accord. But if in future a control programme were found to be necessary, it might well require comprehensive tracing of affected lines, which would be a formidable task if based on written records held at each farm. Without delaying the introduction of the new record-keeping requirements (which should be implemented within the next few weeks), it would therefore be worth initiating a study of possible alternative systems of data management - though without commitment in view of what could be very heavy resource costs. This could take account of other possible requirements for data manipulation in the Single Market context, and of systems already available. MAFF's IT Directorate are currently studying an IT strategy for the SVS/AHG. It is therefore recommended that they incorporate within this an appraisal of the possible data requirement for a disease control system and of the best way of meeting this need.'

39. On 25 July 1990 Mr Gummer met Mr Lowson, Mr Capstick, Mr Crawford, Mrs Attridge and Mr Meldrum (among others) to discuss the government's response to the Agriculture Select Committee Report. Mr Lebrecht's (PPS/Mr Gummer) minute to Mr Lowson of 30 July 1990, stated under the heading 'Record Keeping':

'6. It was agreed that the Government's response would indicate that we were setting up a Study into the possibility of moving towards full centralised computerisation of record keeping, whilst going into some detail about the considerable practical difficulties which the recommendation involved. The question of who would pay for the system should also be referred to. Meanwhile, the Secretary asked you to submit advice, in collaboration with IT Division, on the setting up of the proposed study.'[34]

40. On 3 August 1990, Mr Lowson circulated a minute to MAFF officials which attempted to 'summarise the action that is now necessary' following the Ministers' meeting in relation to the Agriculture Select Committee report.[35] His minute included the following:

'(iv) Record Keeping. It was decided that there should be a study of the possibility of a computerised system as recommended by the Select Committee. I would be grateful for Mr Selwood's advice on how we should go about setting this up. This is clearly a topic which needs to be pursued with some urgency.'

41. On 6 August 1990, Mrs Attridge minuted Mr Gueterbock[36]. Her minute read as follows:

'Electronic Identification of Cattle

(Your minute of 2 August to Mr Meldrum refers.)

[34] YB 90/7.30/2.1-2.3

[35] YB90/08.03/2.1-2.2

[36] YB90/8.6/3.1

1. We have had a meeting with the MLC and MMB on the present state of the art of electronic identification of cattle. I do not think the question is whether we need to take the industry along with us but rather whether the industry has yet made up its mind where it is going. There are a number of different systems but none has yet proved its worth and all of them obviously require the input of information from the farmer.

2. Having had a meeting with the MLC and MMB I doubt whether there would be any advantage in having a further one, particularly since Professor Wilson in Edinburgh is looking at this question, and it would therefore be better to wait until this Group (on which ADAS is represented) reaches conclusions and then see to what extent the Ministry had a part to play.

3. We do need to be quite clear what the objective of the exercise is. An elaborate system (dealing with rather more transactions than is dealt with by the vehicle licensing system at Swansea) is costly and while there are certain parts of the livestock industry, particularly the elite breeding stock where identification would give value for money, this is not the case for all animals across the board.

4. Costs are considerable. Northern Ireland has so far spent £3 million just on the hardware and software and that does not include the checks and recording of movements carried out by local offices. Unless we can be clear precisely what value for money we are getting from the system we can hardly justify it in our present tight monetary situation.'

42. On 7 August 1990 Mr Long (ITD, Victory House) minuted Mr Selwood. His minute entitled 'BSE: Computerised Records of Animals', was copied to Mr Matthews (ITD[37], Guildford), (among others) and included the following:[38]

'4. Probably the most logical approach would be to use someone from the AHVG Study Team currently in place at Tolworth. In effect, this would be the first 'candidate system' we would look at in detail (the study team has already identified it as such, although hitherto low priority). We have already promised to start work on identifiable systems as soon as possible, without necessarily waiting for the end of the study.[39] But you should be aware that Mrs Attridge is not enthusiastic about animal tracking systems - she surprised us on Monday by stating that, at a meeting at the end of last week, it had been decided that such a study should not be recommended. This contradicts the documentation we have seen, and will need to be clarified. In any event, any decision to hold up the Sub-Strategy itself or the work which would follow on from it so as to give priority to this new exercise would likely be unpopular with our AHVG clients, for the usual reasons. So if the new study needed starting within the next two or three months, I'd be looking to divert someone else to work on it. This would be challenging but not impossible!'

[37] The Information Technology Directorate at MAFF

[38] YB 90/8.7/3.1-3.2

[39] The Sub-Strategy study which was being conducted by the ITD at the time.

43. On 8 August 1990, Mrs Attridge minuted Mr Lowson.[40] Under the heading 'Record Keeping', her minute read:

> 'We need to be very clear that any system (computerised or otherwise) for record keeping that may be required by law should relate to disease control. Since all farmers will have to keep the records we will have to assume that many of them will not have computers and that they will rely on normal paper records. This in turn would mean that any fully computerised system would require the farmer's paper records to be translated on to computer, presumably by the Ministry, and this would have a considerable clerical cost. Any study of a computerised system must therefore take into account the practicalities of setting it up and not be enticed by the more elaborate arrangements under consideration by the MMB, MLC and Professor Wilson. No doubt Mr Selwood will be very conscious of the costs and benefits of any computerised system and you will need to be in close touch with him as to its objectives.'

44. On 9 August 1990, Mr Selwood replied to Mr Lowson's minute of 3 August on the best way to establish the feasibility study on animal tracking.[41] His minute included the following:

> '2. I am naturally disappointed that the commitment appears to be rather greater than you and I hoped when we discussed the wording of your note. However, we are where we are and must make the best of it. But I share Mrs Attridge's reservations (her minute 8th August) and I am glad that the question of who should pay for the system has captured the Ministers' attention…
>
> 4. Useful terms of reference for an initial study would include: investigate the options available (i.e. do nothing, put in a full tracking system, do something in-between); look at systems used by other countries; estimate the likely costs/benefits; and make recommendations regarding future action. The resulting report would be similar to one we recently completed on the proposed emergencies database – it wouldn't answer all the questions, but would provide a useful basis for discussion on whether or not, and if so how, we should go forward. (I attach a draft copy of this report. The contents will change following recent discussions, but it serves as an example of the sort of end-product I have it in mind.)…
>
> 6. Your note of 3rd August noted that the topic needed to be pursued with some urgency, presumably on the basis of what was said at the Ministers' meeting. Since we propose to take someone from our AHVG team to work on it, the more leeway we have the less disruption to the main AHVG work. I would appreciate your advice on this; could we delay commencement until the Minister's response is published, do you think?'

45. On 13 August 1990, Mr Matthews replied to Mr Long's minute of 7 August 1990 [42]. Mr Matthews' minute included the following:

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[40] YB 90/8.8/1.1

[41] YB90/08.09/10.1-10.4

[42] YB90/08.13/1.1

'4. I would suggest that the first thing to do therefore is to get relevant management together as a preliminary to initiating the project. I note what you say about resources, I would have thought that this also was something that ought to come out of initial discussions rather than be firmed up at this point in time. Depending on what is involved in the feasibility study, we may be looking for multiple disciplines, not just from ITD but from elsewhere in the Ministry or from external contractors. The visibility of this project indicates the need to resource it adequately and appropriately, additionally we should be able to bring to bear any required pressure to ensure that resources are made available.'

46. On 16 August 1990, Mr Long minuted Mr Selwood[43]. His minute headed 'BSE: Computerised Records of Animals' read as follows:

'1. Mrs Attridge's minute of today refers. Her view, which we had anticipated, is that if the study prompted by the Select Committee's report is so important then ITD ought to be given extra resources to mount it, rather than delaying work she feels is of higher priority. I think we all agree with that!

2. The Project Board, on which Keith Robey and I sit, was understanding about the slippage to date (due to the organisation's being more complex than was first thought, and the team's not having unfettered access to senior staff), but refused to grant a requested further 10% tolerance on budgets and timescales between now and the end of the project. I supported that refusal. It's been a log, hard slog, and the team now needs to press down on the accelerator and get the job finished as soon as possible. Mrs Attridge remains enthusiastic and supportive of the sub-strategy exercise; she maintains that the animal tracking study is pointless at the moment. Robert Lowson (who, in fairness, seems to be under greater pressure than most) appears negative about everything we are doing.

3. You will have seen Tony Matthew's helpful note of 13th August. In the absence of the three of us on leave during the next few days, I have asked Geoff Cravitz to liaise with Mr Lowson on draft TORs, as you originally suggested, but also to make Tony's point that we need to make sure that all the interested parties know and agree exactly what the target is here. Whether we can do that before Mr Lowson has to go back to the Minister I'm not sure, we also need to keep in mind that we're only suggesting a brief preliminary study at this stage, the output of which might simply be that clear statement of what we can sensibly aim for. I assume that Mr Lowson will incorporate Mrs Attridge's views in his advice to the Minister.'

47. On 22 August 1990, Mr Lowson minuted Mr P Davies concerning the Agriculture Select Committee's Report. His minute read as follows [44]:

'BSE: AGRICULTURE COMMITTEE REPORT: RECORD KEEPING

[43] YB90/8.16/3.1

[44] YB90/08.22/2.1

1. The Committee recommended that a comprehensive scheme for identifying and tracing all cattle should be introduced forthwith. MAFF were urged to move towards the full centralised computerisation of the relevant information and not rely on a complicated paper chase through farmers records. Funding should be made available without delay, with the initial costs being met by MAFF.

2. The Minister decided that the Government's response should indicate that we were setting up a study into the possibility of moving towards full centralised computerisation, while going into some detail about the difficulties and the funding arrangements. We need to submit advice to the Secretary on how the study should be set up.

3. I would be grateful if you could discuss this with Mr Cravitz and anybody else he wishes to involve from the IT team and with Mr Taylor and Dr Matthews. Ideally this should be before Mr Taylor goes on leave at the end of next week.

4. The outcome of this discussion should be the draft of a note for me to put forward setting out the terms of reference and likely cost of the study and timing considerations, taking account of Mr Selwood's minute to me of 9 August and Mrs Attridge's minute to Mr Selwood of 16 August. I think we will need to put the note to Ministers rather than to the Secretary as we will need to seek a decision on whether this project should take priority over the scoping study. You will see that Mr Selwood's preferred approach would delay the scoping study report somewhat, while Mrs Attridge does not want the scoping study to be held back

5. The starting point should be to establish a very clear description of what information is required for disease control purposes and how this is collected and used at present. The purpose of the study would be to consider how computerisation could help in fulfilling the purposes for which we require information and what it would cost.'

48. On 27 August 1990, Mr Davison (DAFS) put forward a submission to Lord Sanderson (Scottish Minister of State - Lords) concerning the response to the Agriculture Select Committee's Report on BSE.[45] A copy of the submission was received by Mr Crawford. Under the heading 'Record Keeping of Cattle Movements' the submission stated:

'The Committee recommended that a computerised and centralised record be kept of all cattle and their movements. We are already seeking to require farmers to keep a fuller movement record. The question is whether it would be possible or cost effective to seek to gather all these records into a single national register. There are around 8 million female cattle in Great Britain; updating would be required on every occasion one beast moved or died (perhaps 3 to 4 million changes per year). The validity of such a record would only be as good as the records kept by the farmer himself (most of which will be manual, and a very considerable clerical input would be required to transfer this to computer). We should wish to study this further before offering any commitment.'

[45] YB 90/8.27/1.1

49. On 28 August 1990, Mr Meldrum wrote to Mr Gueterbock.[46] He explained that:

> '...Mrs Attridge, Robert Lowson and Kevin Taylor met representatives of MLC and MMB on 1 August to discuss this subject [electronic identification of cattle]. There is close liaison between MLC and Genus on the subject and Kevin Taylor has been to Compton to see experimental work in dairy cattle first hand. There is no question of the 'commercial use of electronic tags being ignored' but there is no doubt that technological aspects are not yet satisfactory and are not likely to be so in the near future.
>
> Meetings to discuss the subject are taking place frequently. For instance, Kevin Taylor has attended a one-day meeting in Milton Keynes, there is a 3-day seminar at Stoneleigh in September and a 3-day seminar in Brussels in October.
>
> The Wilson Committee appear to have latched on to the Select Committee's comments but we doubt whether the kind of arrangement being considered will have any direct relevance to BSE. As you will be aware, ADAS is represented on the Committee and Kevin Taylor will be talking to the Committee early this Autumn.'

50. On 4 September 1990, following close consultation with industry, Mr Lawrence put forward a submission to Mr Gummer seeking his signature to the following Orders[47]:-

(a) the Bovine Animals (Identification, Marking and Breeding Records) Order 1990, which would '...require owners of bovine animals to identify them... ...and keep a record of calves born into the herd, including the identification of the dam. This would have to be done within 36 hours of birth in the case of dairy animals or 7 days for all other cattle... ...The Order would also impose a duty on subsequent owners to link any replacement identification in their records to the previous one. The movement of an unidentified animal would be prohibited.'

(b) the Movement of Animals (Records) (Amendments) Order 1990, which would '...make a simple amendment to the Movement of Animals (Records) Order 1960 requiring that records are retained for 10 years instead of the current 3 years.'

(c) the Tuberculosis (England and Wales) (Amendment) Order 1990 to '...amend the Tuberculosis (England and Wales) Order 1984 by removing the identification and marking provisions from the Order and incorporating them (with minor amendments) into the Bovine Animals

[46] YB90/08.28/8.1

[47] YB90/09.04/3.1-3.9

(Identification, Marking and Breeding Records) Order 1990. Parallel legislation would be made to amend the separate Scottish legislation.'

51. On 14 September 1990, Mr B Kent (Vice-Chairman of the MMB) wrote to Mr Richard Packer of MAFF (Head of Agricultural Commodities Group at Grade 2 level) about the proposed changes to the regulations on cattle identification.[48] His letter included the following:

'….

House of Commons Agriculture Committee – No 449 10th July on Bovine Spongiform Encephalopathy (BSE) paras 60, 61 and 62 (copy attached) made specific recommendations with which the Board fully agree.

The Board are concerned that the regulations so far proposed by MAFF, fall short of the industry/public need and will therefore be open to public/parliamentary criticism. Also and worse, should BSE research lead to the conclusion that the ancestors/offspring of BSE affected cattle should be slaughtered, then without a practical database of all cattle it would prove virtually impossible to trace and slaughter all the affected cattle. In the extreme, this could lead to whole herds being slaughtered, simply because the individual cattle affected could not be identified.

The Board therefore suggest that urgent consideration be given to the following items:

1. The setting up of a national data base (Ref in para 61);

2. That the MMB, who through NMR already record over 50% of all dairy cattle should operate this data base of 'Agents' of MAFF (Ref in para 62);

3. That MAFF should meet the initial costs of setting up such a data base (Ref in para 62);

4. That to ensure longer term funding availability for the data base, MAFF should formulate the regulations such that identity 'numbers' are issued by data base to suppliers of Approved identity devices. The regulations should specify that only the 'official number could be used' and that the Agent operating the data base could levy a charge on each number issued, to offset the costs of monitoring the data base.

The Board have established a Committee chaired by Professor Peter Wilson to look into the issue of the identification and genetic improvement of dairy cattle. It is already clear that there is much farmer support for a 'National Cattle Data Base'.

The Board by virtue of operating its Breeding and Recording businesses to a large part of the national part of the national dairy herd are uniquely

[48] YB90/9.14/1.1-1.2

placed, both with computer systems and field staff, to operate a National Cattle Data Base as agents of MAFF.

To assist with the political process of getting the database off the ground, the Board would be prepared to publicise the fact that it could already offer a 'Statutory record keeping service' for all NMR recorded hers (subject to MAFF approving the records scheme) bringing over 50% of all dairy beef immediately into the database. This offer would of course be subject to an agreement in principle that the MMB would be the 'Appointed Agent'.

…'

52. On 18 September 1990, Mr Gregg (AHD, Tolworth) minuted Mr Long on the possible terms of reference for the feasibility study.[49] Mr Gregg's minute included the following:

'Information needs

3. Animal diseases may be spread in a variety of ways and this can dictate the information requirement. Where spread involved aerial transmission or contact with other animals (eg foot and mouth disease) interest mainly concerns the movement of animals. BSE and the possibility of material transmission has added another dimension in that there could be a need to be able to trace an animals dam and/or its progeny, involving breeding as well as movement records. The present basic information requirements for disease control involve knowledge of when and where an animal was born, when and where it has been moved to and the identity of animals it may have been in contact with including details of its dam and any progeny.

4. The nature of the disease itself also determines the speed with which tracing has to be carried out. Fast acting viral diseases, such as foot and mouth, require emergency action in order to rapidly eliminate potential sources of infection...The rapidity of tracing is less important for BSE given that the likely source of infection has been closed off and that neither horizontal nor vertical transmission is believed to be involved. Rapid tracing may nevertheless be required for other feed related problems (eg lead).

Computerisation

8. Technically, computerised central records are possible. The main difficulty foreseen is in obtaining the data and ensuring that it is correct and up to date. The scale of the exercise is daunting and, depending upon the functions of the system, could involve recording three times as many transactions as that handled by the DVLC. In 1988 there were 10.5 million cattle in Great Britain, with 3m births, 1.5m calves sold, 3.5m finished cattle slaughterings and 34,000 calf slaughterings (approximate numbers).

Feasibility Study

[49] YB 90/9.18/1.1-1.5

11. A considerable amount of work is involved in establishing the scope of a tracing system, how this information could best be collected and utilised, and in assessing the costs and benefits of a centralised computer system. It is estimated that it will take a small team perhaps 2 months to produce an initial report. Although this would not answer all the questions, it would provide the basis for considering whether or not to proceed and, if not, how to carry the work forward.

12. The terms of reference for such a study might be:

i) To define existing information needs to enable diseases of cattle to be controlled by identifying individual animals and herds at risk;

ii) To assess how these needs might be affected by the completion of the internal market including any overlap between disease control and zootechnical measures;

iii) To compare identification, recording and tracing procedures in Great Britain with those in other countries;

iv) Investigate the options available for identifying and recording cattle movements to enable the tracing of at, risk animals, including estimates of the likely costs/benefits; and,

v) Mark recommendations regarding future action.

13. It is believed that the European Commission is beginning to investigate the possibility of harmonising identification and tracing systems throughout the Community. An international meeting is to be held in mid-October. Additionally, the Wilson Committee, with the backing of the Milk Marketing Board and the National Cattle Breeders Associations, is looking at the desirability of a national cattle registration system. These developments should inform any study and it is therefore recommended that work should not start on the study until mid-November. By then the AHVG Study Team should have completed their work and could be released to undertake this feasibility study at cost of perhaps £40,000.'

53. The following exchange took place during the oral evidence of Mr Wilesmith [50]:-

'MR WALKER: What was your own view in relation to the question of whether a computerised cattle tracking system should be introduced?

MR WILESMITH: Obviously it would greatly assist some epidemiological studies that one could imagine outside BSE. It would also be of great assistance should we have something more fast moving in terms of incubation period such as foot and mouth disease. Because the one thing that we know is that the rate of animal movements has increased so much since the 1967/1968 outbreak that we would certainly want some sort of computerised system. In the odd moments that we have, we have been looking at the system developed for managing epidemics rather than the animal identification system to actually employ the advent of a foot and

[50] T52, page 83

mouth disease outbreak or something similar. So it would be of great aid to that process.'

54. On 24 September 1990, Mr Gummer wrote to Sir Simon Gourlay (the President of the NFU)[51] to confirm that new legislation would come into force on 15 October 1990 aimed at improving record keeping in cattle herds. Mr Gummer's letter included the following:

> 'Like me, you recognise the importance of improved breeding records for cattle in the context of the BSE problem. The Select Committee on Agriculture's recent Report on BSE also highlighted the need for the early introduction of improved records...
>
> You will appreciate the importance of these arrangements to cattle farmers. However, inevitably their value will depend on how diligent individual farmers are in maintaining them. It would therefore be very helpful if the NFU can ensure that this message gets across to individual farmers.'

55. On 24 September 1990, the MAFF Food Safety Directorate issued a News Release headed 'New Measures to Improve Record Keeping in Cattle Herds'[52]. The news release included the following:

> 'The new arrangements are designed to tighten up the disease control procedures and improve record maintenance. Under the new legislation farmers will also have to keep movement records for ten years instead of the current three.
>
> Improved record keeping will contribute to the available information on the development of BSE and will help with the epidemiological research'.

56. On 25 September 1990, Mr Andrews held a meeting with Dr Bunyan (Director General, ADAS, and Chief Scientific Adviser), Mr Capstick, Mr Hilton and Mr Lebrecht.[53]. The minutes of the meeting included the following about the Wilson Committee:

> '1…..It was expect to report early in 1991, but it was not clear whether it would recommend the setting up of a National Registration Scheme, for which it might seek Government financial support, or whether it would recommend a database that was principally concerned with improved breeding...
>
> 2. It was also agreed that Animal Health Group should prepare a paper on the issues involved in the setting up of such a database and setting out what line the Ministry should take if questioned on a proposition of this sort when the report emerged. It was noted that there were some parallels with proposed directives on horses and ARP Division would therefore need to be involved.'

[51] YB90/09.24/22.1

[52] YB90/9.24/5.1

[53] YB 90/9.25/2.1

57. On 1 October 1990, Mr Lowson wrote to Mr Kent.[54] Mr Lowson's letter included the following:

> 'No doubt you have had an account of the meeting which we had with MLC and MMB representatives on 1 August. We made clear then that our minds were certainly not closed to making more use of Information Technology for disease control purposes. But this was not a subject to rush into.
>
> We already have a framework of measures for supplying the data that MAFF needs for dealing with disease outbreaks, in the form of the records which all cattle farmers are required to keep. Because of the new problems that might in future be posed by BSE, we have strengthened these requirements, so that farmers have to record not only the identity of a calf but also its female parentage, and also that records have to be kept for ten years instead of the present three. Data about the offspring of cattle suffering from BSE are already held on computer.
>
> These measures would certainly provide the basis for action if research showed that control measures of the kind that you mention in your letter were needed. I think we would accept that the systems that I have described would not enable us to identify every single animal in the lines with which we wanted to deal - in fact we would no doubt fail to find quite a lot of them. The questions that we need to address are, would this prejudice effective control of the disease; and, if the answer to this question is yes, would the establishment of a computerised database make a difference that would justify the cost and complexity of the operation. These are not essentially questions about the availability of technology to do the job, but rather about the nature of the hypothetical measures that might be needed to control BSE and about the reliability of the data that farmers would initially provide.
>
> Clearly the question of the possible use of a national database for disease control purposes needs to be explored further. We have initiated our own internal study in response to the Select Committee report, we are following the work of the Wilson Committee with interest, (in fact we have been invited to make a presentation to them) and we will be participating in an EC seminar on cattle identification to be held in the next few weeks. Improved identification systems are high on the Community agenda in the Single Market context and anything we did domestically would have to take account of what was happening at a Community level.'

58. Also on 1 October 1990, Mr Lowson minuted Mr Gregg by manuscript note regarding his draft terms of reference for the proposed feasibility study[55]. Mr Lowson note read:

> 'You will have seen a copy of my recent letter to Ben Kent of the MMB. I think it is important that the study should bear in mind the point that I made there, viz. that a less than perfect coverage may provide enough data for effective disease control; so the first question is will current measures

[54] YB90/10.01/4.1-4.2

[55] YB90/10.01/5.1-5.5

do the job that we need, and the second - how far will computerisation improve things - needs to be asked only if the answer to the first is 'no'.'

59. On 9 October 1990, Mr Lowson and Mr Lawrence met Mr Maclean. Mr North's (PS/Mr Maclean) minute of 11 October 1990 to Mr Lowson, about the meeting was headed 'Parliamentary Secretary (Mr Macleans)'s Meeting to Discuss Current State of Play on BSE: Tuesday 9 October 1990'[56]. Mr North's minute included the following:

> '3. You reminded Mr Maclean that the new cattle record keeping arrangements had been introduced on 15 October. However, we were being urged by some to go further, by introducing a computer-based system. This seemed inappropriate at present because our main need - to deal with outbreaks of disease - was adequately served by our current methods. Nevertheless, we had in hand a feasibility study designed to assess the benefits of a computer-based system.'

60. On 15 October 1990, the Bovine Animals (Identification, Marking and Breeding Records) Order 1990, the Movement of Animals (Records) (Amendments) Order 1990 and the Tuberculosis (England and Wales) (Amendment) Order 1990 became effective.

61. On 17 October 1990, Dr Bunyan provided Dr Shannon with a copy of the speaking notes which ADAS had used in their presentation to the Wilson Committee.[57] The notes included the following under 'Question 5':

> In the early remarks we discussed the considerable benefit of adopting a central computer system. Such a system should give to every bovine both in the UK a unique identification number. All movements of stock would be notified. Al cattle would therefore be immediately traceable.
>
> Having discussed the issue of identification with Animal Health colleagues it is clearly important to identify and trace all animals. Arguably that could be achieved by improvements to the present recording arrangements without computer support, but there remains the need for a foolproof method of identification. If the way forward is to be electronic then it seems logical to investigate the use of computer linking.'

62. Under 'Concluding remarks', the notes included the following:

> 'If MAFF can be assured of the value, independence and accuracy/security of a single database it may be interested in discussing initial funding. (This is not a MAFF statement). Once established the financial operation should be based on the principle of user pays with perhaps a combination of levy and direct payments. However, we believe UK cannot go it alone. It is important that we are part of any EC development particularly in relation to animal identification and other zootechnic legislation….'

[56] YB 90/10.11/2.1-2.4

[57] YB 90/10.17/8.1-8.27

63. On 29 October 1990, Mr Lowson minuted Miss Cole (APS/Mr Curry) attaching a briefing for his meeting with Mr Kent on 31 October.[58] Mr Lowson's minute included the following:

> '1. I attach briefing as requested. We do not know exactly what Mr Kent wants to talk about, but presume it is the subject on which he has already corresponded at official level.'

64. The briefing material attached to the minute included the following:

> '3. The Minister made it clear in speaking to the Select Committee that he was positive about the use of electronic data processing where this made sense. But this does not mean that problems should be ignored; this is an area to be approached with care, and where decisions need to be made taking account of what is happening elsewhere in the Community.
>
> 4. The key point to get across is that MAFF's interest is in having systems which enable it to carry out disease control measures. So far we have managed without a computerised system and it is not clear (although we will be studying this) whether such a system would be necessary to deal with BSE in the event that it turns out to be transmissible (as are most of the diseases for which we have control measures at present, without computers).'

65. Under the heading 'Points to Make', the briefing material included the following:

> '(i) MAFF's interest is not in having comprehensive records of all cattle; just in having records that are good enough to enable it to control disease effectively...
>
> (iv) Improved identification systems are also high on the Community agenda in the context of the Single Market. Officials have recently attended an EC seminar on the subject. It is clear that any action taken domestically will have to take account of what is happening at Community level.'

66. On 31 October 1990, Mr Curry met with Mr Kent and Mr Watson of the MMB. Mrs Attridge and Dr Matthews (SVS, Tolworth) were present at the meeting. Mr S Hunter's (PS/Mr Curry) minute to Mrs Attridge of 1 November 1990 about the meeting read as follows:[59]

> 'LIVESTOCK IDENTIFICATION REGISTER: PARLIAMENTARY SECRETARY (MR CURRY'S) MEETING WITH THE MMB'S VICE – CHAIRMAN, 31 OCTOBER 1990
>
> 1. You and Dr Matthews were present when the Parliamentary Secretary met Mr Kent and Mr Watson of the Milk Marketing Board to discuss the establishment of a Livestock Identification Register.

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[58] YB90/10.29/1.1-1.3

[59] YB 90/11.1/6.1

2. Mr Kent initiated the meeting by saying that he had not arrived with a begging bowl. He believed that it would be worthwhile if MAFF, MMB and the Breeding Societies jointly looked into the feasibility of setting up a livestock identification register – for cattle, pigs and possibly sheep. The current National Milk Records Database, run by the MMB, could be used as a starting point. He thought that such a register would pre-empt any EC harmonised recording regime and was justified on food safety grounds, in the event of a traceback being needed if BSE maternal transmission was discovered.

3. You [Mrs Attridge] said that our current system of relying on farmers' records satisfied the Department's requirements for disease control. It would be difficult to justify a computerised system on food safety grounds and any suggestion that it was required for this might cause public disquiet. The cost of the Northern Ireland Scheme was also a disturbing precedent. Dr Matthews said that the fast response advantage of a computerised system was not necessary for a BSE traceback.

4. The Parliamentary Secretary accepted that there was still some uncertainty about the long-term impact of BSE and that there was some merit in the argument that we should at least look at the intellectual framework for a register. He asked Mr Kent to submit a more technical presentation which could be considered by officials. Mr Kent agreed to do this and to discuss with his technical staff whether the presentation should be submitted before or after the Wilson Commission Report is delivered.'

67. On 1 November 1990, Mrs Attridge and Mr Gregg met Professor Wilson for an informal discussion about the work of the Wilson Committee and the recommendations likely to be made by the Committee. Mr Gregg's minute to Mrs Attridge of 1 November 1990[60] about the meeting was headed 'The Wilson Committee: Livestock Registration.'. Mr Gregg's minute included the following:

'…

4. Professor Wilson considered that the Ministry stood to gain from a competitive industry but the major advantage lay in an improved identification and recording system for disease control particularly in relation to parentage for diseases such as BSE and perhaps diseases which have yet to emerge. He put the present certainty of being able to trace the offspring of a BSE cow at no more than 50%. Milk recording was perhaps only 70% accurate as most farmers were looking for a herd rather than an individual index. However some breed societies were achieving 98% by virtue of enforcement using blood type checks. He saw considerable advantage for all in coming up with a standard identification code so that data on individual animals could readily be pooled.

…

7. You explained that the Ministry's policy as far as genetic improvement was concerned was to leave it to industry. Our animal health

[60] YB90/11.2/3.1-3.2

data requirements were essentially very basic. There might be pay-offs for us in terms of accuracy, enforcement, rapidity of tracing and an ability to monitor imports, but it remained to be seen whether and how far the existing system needed improvement. There was merit in a single unique identification coding and it was expected that this issue would be resolved at Community level. It was extremely unlikely that the Ministry could make it a requirement for farmers to cooperate on performance monitoring and issues other than disease control unless it was clear that the vast majority of the industry was behind it and not just the market leaders. This held even more so in relation to funding mechanisms such as levies. You suggested the LINK might be a possible source of funding and it was pointed out that there was a Community element to the research and development of livestock registration (I will let you have a draft letter to Professor Wilson on these points as soon as I can). You did not rule out the possibility of an agency type body operating an all singing all dancing register but underlined the need for appropriate locking devices to be established to avoid problems of confidentiality.

8. Professor Wilson considered that it would take between 1 or 2 years to introduce a national register. He envisaged an evolutionary process which over the next 25 years would lead to a much more integrated cattle industry analogous to the pig industry where it is the productive potential of the animal which is the major factor.'

68. On 7 November 1990 Mrs Attridge wrote to Mr Stuart Drew, (Director and General Manager, Government and Public Services Division) of Unisys Limited. Her letter read as follows:

'Thank you for your letter received on 16 October about computerised animal movement systems.

The Ministry's needs for animal records are restricted to disease control purposes and a fully computerised system is not necessary to achieve this objective.

We are aware of the system being operated by DANI, which is geared to Northern Irish circumstances. What I believe is important is to identify precisely what is the objective of the computerised animal movements and who are the beneficiaries. I understand that there is a Group under the Chairmanship of Professor Wilson looking at this at the moment and we would hope that they will be able to clarify the situation by the New Year. So far as I can judge, the costs per animal would be quite considerable and to be effective farmers would need to be clear what benefits they obtained from it. It is I believe a little early to discuss details of any system, but I will bear your offer of a meeting in mind if the Ministry should want to become more directly involved.'[61]

69. The letter was blindly copied to Mr Lowson and Mr KC Taylor. Against Mr Lowson's name was the following: 'You may like to let the IT people know of this approach when they are looking at computerised animal movement systems.'

[61] YB90/11.7/2.1

70. On 27 November 1990, Mr Janssen (DG-VI, European Commission) circulated an information note on the identification of farm animals[62]. This was based on the Commission-led seminar held on 17-19 October 1990. MAFF had been represented at the seminar by Mr Gregg and Mr Philip (SVS). The seminar had concluded that reliable identification systems were needed 'for every individual animal in all Member States' so as to enable effective implementation of EC veterinary policy on animal health, public health, animal welfare and fraud prevention. The seminar had concluded that the key requirements for a reliable information system were: individual identification, registration of movements, central database facilities. Development of a Community-wide, uniform system was subject to several constraints:

> '- the lack of harmonisation and standardisation;
>
> - post-slaughter recovery of the transponder;
>
> - cost/benefit information;
>
> - international acceptance and acceptance by farmers;
>
> - national rules on injection by farmers;
>
> - production capacity of the manufacturers.'

71. It was concluded that 'The system cannot be implemented immediately because the organisational and financial requirements do not match the technical progress'.

72. During her oral evidence to the Inquiry, Mrs Attridge said:[63]

> 'As part of the single market arrangements, and the need to certify animals both coming into and going out of the country, the Commission was becoming more and more anxious to have a computerised system, which could be operated at what I would term to be Veterinary Officer level, which meant that all the farms within the remit of that individual in the Veterinary Office would be able to be accessed quickly through computer records.
>
> As I mentioned earlier, this would require farmers (a) to put in the information in the right way, and (b) to have the right equipment themselves, so that the readouts would be adequate. It was quite clear that that was the way that the wind was blowing, the Commission was going to go ahead with some form of computerised system. The problem was until they decided which one it was, it was difficult for us to see how best we could latch on to it.'

[62] YB90/11.27/9.1-9.8

[63] T43, page 146

73. In November 1990, the 'Response of the Government to the Fifth Report from the House of Commons Agriculture Committee 1989-90 Session' was published.[64] Paragraphs 13-18 stated:

> '13. The Report (paragraph 61) welcomes the changes which are being made to the legislation, in particular to expand the information recorded to include more data about calves, together with details of the dam, and that all these records will have to be kept for ten years instead of three. These arrangements have been in force since 15 October.
>
> 14. The Report urges MAFF to move towards the full centralised computerisation of all the relevant information.
>
> 15. Data about the offspring of known BSE cases are already maintained on computer. To go further, and maintain records of other cattle, would be a formidable task. A comprehensive system would need to identify and locate all female bovine animals (of which there are nearly eight million in Great Britain) and provide data on parentage and offspring. Updating would be needed whenever and animal moved or died.
>
> 16. The existing arrangements already provide the foundation for control measures based on the ancestry of progeny of BSE cases. It is of course inevitable that some animals might not be traced using these existing systems. But this would be true even of the most sophisticated computerised mechanisms. The Government therefore needs to assess whether defects in the present system would be so serious as to prejudice the effective control of the disease; and if so, whether computerised systems would in practice improve the situation enough to justify the massive investment required.
>
> 17. Among the factors that have to be taken into account are:-
>
> - the fact that the value of the computerised information would still depend on the reliability of the identification system, which could rest on the accuracy and diligence with which farmers recorded the information;
>
> - the size of the financial commitment that would still be involved and how it would be funded - taking account of the possibility of industry funding;
>
> - the need for compatibility with systems that might be developed by the European Community.
>
> 18. This is an important issue and the Government is glad that the Report recognises this. The Ministry of Agriculture, Fisheries and Food accepts that a feasibility study is necessary, and intends to initiate one. This study will need to be informed by the results of a Community Seminar in mid-October on electronic animal identification, and by the work of the Wilson Committee, set up by the Milk Marketing Board and the National Cattle Breeders' Association to consider identification systems.'

[64] IBD 1, Tab 10

74. In a statement to the Inquiry[65], Mr Meldrum said:

> 'Having attended meetings and received draft submissions relating to preparation of the Government's response to the Agriculture Committee's recommendations, I was aware that MAFF's IT Directorate were to conduct a feasibility study for a computerised system for record keeping. However, I was not involved in the details of the setting up and conduct of this study. This had been delegated to the Animal Tracking Project Board of which Mr Lowson, Mr Widden and Mr Gregg of the Animal Health Division in Tolworth were members, together with Mr Phillip and Dr Matthews of the SVS. During this time I was aware of the discussions taking place on the issue of computerised systems and national cattle databases, including the ongoing EC discussions and the Wilson Committee Report **(M45 Tab 5)**. It was during this time that I recollect making a visit to the Netherlands to see the Dutch computerised cattle movement recording system at first hand. I was most impressed by it. For information, I would also refer to Mr Lowson's note dated 12th April, 1991 on the possibilities of creating a national cattle database, the distinct needs involved (industry, MAFF and the EC) and the various ongoing discussions **(YB91/4.12/2.1-2.5)**.'

75. On 10 December 1990, Mr Kent (MMB) wrote to Mr Curry.[66] Mr Kent suggested that MAFF might commission a feasibility study by the MMB into the possibility of extending its existing National Milk Records database for use in recording national stock details. Mr Kent noted his concern that:

> 'Although our newest disease, BSE is believed not to be vertically transmissible; who knows when or where the next one is coming from? If it were to be vertically transmissible, knowledge of parentage would be essential. Our industry has a duty to be prepared.
>
> I have noted the proceedings of the October Brussels Seminar on cattle identification. I do not think any attempt should be made to prematurely install unproven electronic identification. I am aware that the costs of your scheme in Northern Ireland have become unacceptably high.'

76. On 2 January 1991 Mr Curry replied to Mr Kent's letter. He said that:[67]

> 'You will by now have seen our response to the Agriculture Committee's recommendations. We have in fact already initiated the feasibility study, making use of external consultants. The study team will be taking account of the work of the Wilson Committee, to which both ADAS and the Animal Health and Veterinary Group gave evidence. The team have a free rein, but I would expect them to explore, among other things, the possibility of building upon existing systems such as NMR and I hope that the main question to be answered concerns the extent to which computerised records would contribute towards cost effective disease control...'

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[65] S Meldrum 7 (WS184E), para E6

[66] YB90/12.10/8.1-8.2

[67] YB91/01.02/6.1

77. The Animal Tracking Project Board (the 'ATPB') consisted of Mr Lowson, Mr Matthews, Mr Gregg, Mr Long, Mr Widden, (AH, Tolworth), Dr Phillip, (SVS, Tolworth), Mr Johnson, (PA Computing Group), Mrs Elliot, (ITD, Guildford) and Dr Matthews.

78. On 16 January 1991, the Project Initiation Document prepared by Mr Johnson, was circulated to Project members as a basis for discussion at the first meeting of the ATPB which was scheduled for 18 January 1991.[68] Section 2 of the document entitled 'Project Objectives and Scope' read:

> '2.1 The objective of this study is to consider options for introducing a system into Great Britain that facilitates the identification of an individual animal, its parents, its offspring, and all locations at which it has been held, from birth to death, including all relevant dates, and to examine the feasibility of each option in terms of its cost/benefit, technical viability and political (in its widest sense) acceptability.
>
> 2.2 The primary focus must be on the system requirements (and possible solutions) necessary to enable the effective control of disease in cattle. However, given that certain diseases can spread between species, the applicability of such a system to non-bovine farm animals must also be assessed.
>
> 2.3 Additionally, given that industry interest in such a system is high, particularly in quarters where herd improvement is a major factor, the costs of incorporating their requirements should also be assessed, together with any commercial benefit that might accrue.'

79. On 18 January 1991, the first meeting of the ATPB was held.[69] Mr Lowson was in the chair. The minutes of the meeting include the following:

> '1.2 Mr Lowson explained the dual origins of the project. First, the tracking activity was recognised as central to the responsibilities of the Animal Health Division, and the system had been identified as a candidate to be pursued under the recent AH/VG IT Sub-strategy study.
>
> 1.3 An essential part of disease control was the ability to trace the movement, progeny and ancestry of animals. The Division was concerned with all animal diseases, but only those identified as notifiable by a range of Statutory Instruments were likely to be subject to tracking. Different diseases had different information requirements, and any system would need to take account of the particular disease situation.
>
> 1.4 The second origin of the system had arisen through the undertaking made by the Minister to the Agricultural (sic) Select Committee after the BSE outbreak. The need was expressed to investigate the possibility of a computerised database to maintain records of animal movement, progeny and ancestry; this was in order to control BSE in the event that it might be found to be transmissible in the future.

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[68] M11D, Tab 19

[69] YB 91/1.18/3.1-3.4

> 1.5 AHVG felt, however, that several of the assertions connected with this perceived need would prove inaccurate or untrue, and that one of the main benefits of such a system would be to the cattle industry in its desire to facilitate improved herd management and the selection of optimum breeding lines. The AHVG group on the other hand was not concerned with this commercial issue, and was interested primarily in the possibility of easing the task of disease control. The Group already had an (sic) recently-extended requirement on farmers to keep breeding and movement records, and ran a successful manual system.
>
> 1.6 It would be the task for the study to focus on the AH needs for a computerised system, and to compare this requirement with the needs of the industry. Also to assess whether there was sufficient justification for development on either account, and to make recommendations accordingly. Animal Health Division would be responsible for the public presentation and further dissemination of the information in the report.'

80. Under the heading '2.4 Project Plan', paragraph 2.4.3 of the minute stated that:

> 'Mr Matthews asked if its was feasible that no option would be selected, and Mr Lowson confirmed that it was quite possible that the conclusion would be to do nothing for the time being, but to await developments in the Community.'

81. Under '2.1 Summary of Amendments' to the Project Initiation Document, the minute stated that paragraph 5.2 should read as follows:

> 'The Project Manager will be Mr R Long, the Animal Health Group Account Manager; the Stage Manager will be Mr P Johnson from PA Consulting.'

82. During his oral evidence to the Inquiry, Mr Lowson said:[70]

> '… my memory of it is that there were two exercises running along in parallel, or two concepts running along in parallel. The first was that the cattle industry was itself considering the creation of a computerised database for its own purposes, to maintain records that would enable it to improve the breed and performance of the national herd. Then, in parallel with that, there was a suggestion which came from the House of Commons Agriculture Committee and no doubt from others at the same time, though I do not remember it, that a computerised system would assist with the management of BSE controls. The Project Board was set up to investigate whether it -- to investigate the implications of setting up a system like this on a governmental basis.'

83. On 22 January 1991, Mrs Attridge minuted Mr Gregg seeking an update on progress at the ATPB meeting prior to a discussion with Mr Moffat on follow up to the Wilson Committee. Mr Gregg's response mentioned (amongst other things) that:[71]

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[70] T43, pages 136-137

[71] YB91/1.22/2.1

'The Friday [18 January] meeting went well, although we have set Peter Johnson a heavy workload. In terms of the meeting with Mr Moffat the main point is that we have ruled nothing in and nothing out pending consideration of the feasibility study when complete.'

84. On 1 February 1991, the Wilson Committee's Report was published. The summary of recommendations was as follows:

'1. That the paramount aim of the Cattle Data Centre (CDC) is a profitable and efficient UK cattle industry able to compete internationally.

2. That a UK CDC be established as a matter of urgency. Its task will be to link together and co-ordinate:
   - All existing cattle databases
   - Cattle identification within the UK on a unique number basis
   - Cattle ancestry and its validation within the UK
   - All milk recording within the UK to International Committee for Animal Recording standards, including DIY recording
   - Beef recording within the UK
   - Genetic evaluation of cattle
   - Linear assessment of cattle.

3. That the CDC be self-financing by 1995.

4. That the Bull and Cow Evaluation Unit becomes the core function of the CDC in the shortest possible time.

5. That the CDC be governed by an independent Board representative of the whole industry.

6. That the Chairman be an independent appointment from the industry.

7. That the CDC will require an executive secretary to service the Board and to carry out its instructions.

8. That the milk recording organisations become self-financing and autonomous, with close links with the CDC prior to full integration.

9. That Breed Societies continue to promote and improve their respective breeds and should play a major role in promoting the objectives of the CDC.

10. That the Breed Societies, milk and beef recording organisations continue to forge closer links.

11. That the duplication of data collection, collation and authentication be minimised.

12. That the Ministry of Agriculture, Fisheries and Food be encouraged to promote the formation of the CDC and to assist in obtaining funds to set up the CDC and its constituent database for the public good.'[72]

[72] YB91/2.1/1.1-1.4

85. On 12 February 1991, Mr Crawford minuted Mr Gregg regarding a proposed questionnaire for Animal Health Offices to determine what difficulties they faced in tracing livestock.[73] The minute was copied to Mr K Taylor and Mr Widden. Mr Crawford's minute read as follows:

> 'ANIMAL TRACING SYSTEM – FEASIBILITY STUDY
>
> We discussed, very briefly, the questionnaire which it is proposed should be sent to Animal Health Offices to establish whether there are difficulties in tracing livestock. I have now considered the questionnaire and taken advice from Field Staff and have to say that most of the information sought will not be available. The staff would have required notice of the requirements many months ago so that records could have been kept in the necessary form. It would require an inordinate amount of effort to produce even part and the end result would be anything but accurate.
>
> You will appreciate that staff are already overwhelmed with the number of returns which they are expected to provide. I am therefore extremely reluctant to approach them with this new questionnaire.
>
> My best offer is to suggest that when Mr Johnson has made a final decision on what information he requires, the questionnaire should be submitted to Mr K C Taylor for agreement. It should then be sent to one Division per Region (to be chosen by each RVO) on the basis of obtaining a representative sample. The DVOs involved should be asked to start keeping the necessary information and to provide a return in [six] months.'

86. On 18 February 1991 Mr Gregg minuted Mr Widden by a manuscript note on Mr Crawford's minute[74]. Mr Gregg's note read as follows:

> 'Mr Widden – In other words the information is not available. Have you told Peter Johnson ?'

87. On 21 February 1991, Mr Johnson circulated a document entitled 'Current System - Description, Problems and Requirements'.[75] The summary (section 6) explained that:

> 'The current system is labour intensive, slow and often unreliable. It is heavily dependent on good quality information being maintained on farms and elsewhere - this despite the fact that the record keeper usually has no business motive for doing so - and, failing this, the investigative abilities (and stamina?) of the Veterinary and Animal Health Officers in the field. Nevertheless, based on the published statistics for animal health in GB, the system would appear to be effective in controlling and containing the current crop of cattle disease.
>
> HOWEVER

[73] YB91/2.12/1.1

[74] YB91/2.12/1.1

[75] M11 D, Tab 20

> Were there to be a sudden significant increase in the number of herd breakdowns (TB or brucellosis), an outbreak of a fast acting viral disease (eg foot and mouth), or a large-scale feed-related problem requiring rapid tracing, it is unlikely that the current system would provide the level of responsiveness or data quality necessary to adequately cope with the situation. It would certainly stretch to the limit AHVG resources in the Regions and current programmes of work would suffer badly.'

88. On 28 February 1991, Mr Widden minuted Mr Gregg (with copies to Mrs Attridge, Mr Meldrum, Mr Lowson, Mr Matthews, Mr Long and Mr Johnson amongst others) to provide details of his visit to Brussels on 14 February 'to discuss the [European] Commission's views on future developments for animal identification and a computerised database'. Mr Widden explained that:[76]

> 'The Commission also stated that...they envisaged the setting up of a computerised system for passing information between member states. They did not envisage this being a great expense on them or national authorities as they expected the industry to pay the costs.'

89. On 13 March 1991, Mr Johnson minuted Mr Lowson about the Animal Tracking System Feasibility Study.[77] Mr Johnson's letter included the following:

> '1. Following discussions at the last Project Board, I thought I'd write to you to set out the approach I propose taking in respect of the Report...
>
> 4....my perception of the situation is that, while AHVG is fairly certain about its own internal requirements with regard to Animal Tracking, it does not yet have a clear idea of which EC/industry requirements it intends (or will be required) to satisfy. It is my understanding the decisions about these matters are some way off...
>
> 5. Given this situation, I have considered two possible courses of action:
>
> (i) suspend the feasibility study...until the 'policy' decisions have been taken and AHVG's requirements are well defined;
>
> (ii) proceed on the basis of likely outcomes...and propose solutions to meet these requirements.
>
> After initial discussions with AHVG staff, it would appear that the latter course is the one that is preferred.'

90. On 19 March 1991 Mr Long minuted Mr Matthews about an Animal Tracking System.[78]. Mr Long's minute was copied to Mr Johnson. His minute read as follows:

> 'ANIMAL TRACKING SYSTEM

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[76] YB91/02.28/1.1

[77] YB91/03.13/9.1-9.3

[78] YB91/3.19/2.1-2.2

1. Thank you for your minute of 6th March on this. I have arranged for Marcia Webb to QA the current system documentation, as requested by the Project Board, and Peter Johnson and I have discussed an outline of the deliverable from the current exercise, which he will produce soon. Peter has, as you know, written to Robert Lowson as you requested. I think it is worth noting my views on the question of how close this study is, or should be, to a textbook-style Feasibility Study.

2. AHVG are currently unsure as to the extent of their requirement for an Animal Tracking System. This is understandable given the slow process of the interpretation of the relevant CEC Directive by the expert group of which Peter Philip is a member. But we can't wait until the requirement is set in concrete. Other Member States have existing or planned systems which leave them much better placed than the UK to satisfy the Directive once it is fully interpreted.

3. So AHVG want us to look at what is possible and identify options which appear likely to satisfy the emerging requirement. I have agreed with Peter Johnson that his report should be structured so as to present a number of possible requirement elements, with an indication of whether each element originates from AHVG itself, the CEC or industry (some, of course, may come from more than one area). AHVG can then select from this list one or more combinations of requirement elements which they would like us to investigate further.

4. As a guide, we will identify a number of possible options based in groupings of these elements. I have suggested that Peter might present these as a roadway down which AHVG can proceed. So there will be the usual 'do nothing' option, progressing through computerisation of identification and introduction of a movement recording system before reaching a full-blown tracking system as implemented by the Dutch – as of last week the new 'ideal'! It will be for AHVG to decide how far down the road they want to go.

5. At this point, the study will become much more like a conventional Feasibility Study (unless there is a such strong preference and sudden urgency that we are asked to go straight to Full Study on one of the requirement combinations) and we will examine in more detail the feasibility of the selected options. I share your concern that we should not seek to determine the requirement on behalf of AHVG, and am satisfied that Peter Johnson does not intend to do this. However, you and I have agreed that ITD will need to make clear its understanding of the extent to which each option meets the CEC Directive as its full implications emerge, and we shall do this.

6. So our initial aim is to provide information which AHVG can use in deciding on the exact shape of their requirement. This means that non-IT questions concerning e.g. the UK's difference from other Member States do need to be considered although like you I am keen that we should not waste time going round in circles ourselves, but look to AHVG for a clear lead in these areas.

7. Finally, we have discussed the need to flag the possible implications of this study soon. If AHVG do choose to go all the way down the

Animal Tracking road and the Ministry (rather then the industry) takes responsibility for implementing the system, then ITD is looking at staffing and managing a sizeable new project and MAFF needs to find a lot of money to pay for it. We have agreed that SMG should be alerted to the possibilities after the next meeting of the Project Board.'

91. On 9 April 1991, Dr PJ Bunyan wrote to Mr FH Armitage (of the Wilson Committee) about the Wilson Committee Report[79]. His letter included the following:

'….

As far as the Report is concerned it has been well received within ADAS. I would like to make a number of more specific points.

1. We believe that the establishment of a Cattle Data Centre (CDC) would be excellent initiative. It would help to accelerate genetic improvement in both dairy and beef breeds by concentrating on the most desirable selection criteria. It would focus national effort and enable the UK industry to compete better on world markets.

2. Establishment of a CDC requires the complete support of all breed societies. A CDC would be clearly very attractive to smaller societies, particularly dairy cattle societies and we have been very pleased to witness the warm reception the larger societies have given the Report. In the beef sector we are aware that much pedigree breeding rests in the hands of 'enthusiasts' whose size and attitudes have in the past been somewhat resistant to scientific approaches. We see the independence of the proposed CDC as a crucial factor in drawing together the many sides of this disparate cattle industry.

3. On the point of detail we would encourage the use of data systems based on a 'value index' as used currently by ADAS and others.

4. I confirm the view made in the earlier ADAS submissions that we see considerable merit in the CDC carry out MAFF's Animal Health's requirement (on contract) in addition to its commercial operations, although the Ministry will need to take a view on their requirements and the best way to meet them.

5. Considerable financial difficulties lie ahead in setting-up and running a CDC. For this reason, obtaining MAFF's support will be crucial to assist in obtaining EC funds and also as a future customer for Animal Health operations.

6. ADAS urges the industry to adopt the Wilson Report as a matter of urgency. I realise there is much work to be done and I offer our continued support.

7. I also believe there are positive contributions ADAS could make to the establishment and running of a CDC and I propose to write to you separately on this aspect within the next few weeks.'

[79] YB91/4.9/4.1-4.2

92. On 12 April 1991, Mr Matthews minuted Mr Lowson with a summary of the IT position as they had agreed at the previous ATPB meeting, held on 26 March 1991. The minute read as follows:[80]

> '1. At the last Project Board we agreed that ITD and AHVG would separately summarise where we have got to and what should happen next. This is our contribution; it focuses on those areas where we consider the ITD view may be somewhat different from AHVG's, rather than going over common ground.
>
> 2. As we understand it, AHVG are moving to a position where you will be concluding that:
>
> (a) the current system (with some modifications - possibly along the lines suggested in Options 1 & 2 as outlined in document ATS/91/03) - is sufficient to meet your immediate (known) requirements;
>
> (b) a system to meet the requirements of the Select Committee (particularly in respect of vertical tracing for BSE) would be extremely expensive and, in any case, would take some time to implement by which time BSE may not be a problem;
>
> (c) with regard to EC requirements, these are still emerging and the feasibility study with its preliminary cost assessments has demonstrated that to meet them in an 'ideal' way would be so expensive that we ought to be putting our efforts into getting the EC to lower its sights; and
>
> (d) the cattle industry's interest in such a system is driven by a separate and distinct need (ie to collect information for genetic evaluation purposes). While there is an important common factor - a robust form of unique identification - the viability of an industry system depends on its success in meeting a commercial requirement which is quite different from that of AHVG.
>
> On this basis no further investigation work by ITD would be required and presumably you would report to Ministers on the above lines.'
>
> 3. Whilst we agree that a major pathway 2 development will be extremely resource-consuming we have considerable reservations based on study activity to date with regard to the existing system's ability to form a base for future development. Firstly, AHVG's own requirements has not, to date, been well defined, particularly in terms of:
>
> - system responsiveness (ie ability to provide information within set timeframes)
>
> - system capacity (~~is~~ ie ability and impact of handling increased volumes of transactions and data without affecting response times)
>
> - system adaptability (eg to cover other species of farm animal)

[80] YB 91/4.12/3.1-3.5

- system auditability (ie ability to verify data held on the system by means of cross-checking, use of inventories, etc).

4. Our second major concern is that the various options we have proposed have not been explored in sufficient detail to provide reliable date (sic) on:

- costs

- benefits (especially of Pathway 2 options over Pathway 1 options in meeting AHVG requirements in respect of the above-mentioned factors)

- internal (organisational) and external (client) impact.

5. We therefore believe that this study's end product should, on one hand, inform the reader of what automated (to varying degrees) tracking systems can provide in the way of an enhanced ability to identify and trace animals for animal health purposes; on the other hand, it must show at what cost and what the likely impact will be. Alongside this, it is important to identify, as far as possible at this stage, the impact of not implementing an automated system including the likely effect in terms of AHVG's animal tracking 'performance' and MAFF's ability to comply with EC requirements (as they are understood today). In these latter respects no one will thank either AHVG or ITD for recommending that the current system is generally acceptable if the status quo is assumed, if it proves to be immediately swamped once any significant system expansion (eg in terms of species or diseases) or major EC-related changes are encountered.'

6. This leads me to the conclusion that ATS/91/03 with its matrix of requirements versus options is too coarse a document on which to base firm conclusions. My recommendation to the Project Board is to carry the study forward and deliver a report that:

- draws together the work that has been undertaken so far on this study;

- tightens up on the AHVG requirement, addressing the points in paragraph 3 above (with help from your people); and,

- recommends further exploration of some or all of the options suggested in document ATS/91/03, if not immediately then when the EC requirements are better known.

Peter Johnson's suggested framework for this report is attached.'

93. On 12 April 1991, Mr Lowson minuted Mr Robinson (PS/Mr Andrews) attaching a paper on the possibility of creating a national cattle database in the light of progress made by the Wilson Committee, discussions at EC level and on the feasibility study.[81] Mr Lowson's minute read as follows:

'1. At the Secretary's meeting on 25 September 1990 the Deputy Secretaries asked for a paper on the issues involved in setting up a database and the line to be taken on such a proposition. In some respects this was overtaken by the response to the House of Commons' Agriculture

[81] YB91/04.12/2.1-2.5

Committee Report on BSE, which in effect dealt with these issues, albeit very briefly.

2. Now that the Wilson Committee report has emerged, and we have made some progress in discussion both in the Community and with the feasibility study, it might be helpful for senior officers to see a note setting out the issues as they now appear. The attached paper has been cleared with both the CVO and the DG/ADAS.'

94. The paper which was entitled 'National Cattle Database' included the following:

'Background

1. Current interest in the possibility of creating a national cattle database (and databases relating to other species too) is driven by several quite distinct needs;

(i) to respond to the perception that the UK has fallen behind its competitors in the promotion of genetic improvement. This was the motivation behind the Milk Marketing Board and the National Cattle Breeders Association setting up the Wilson Committee to look at the future of genetic evaluation in the United Kingdom which requires the continuous collection of a broad spectrum of information for analysis;

(ii) to consider whether, in the light of the BSE outbreak in particular, our existing data collection and storage systems are adequate to deal with disease and contamination control requirements, and whether new technology can help us to meet these requirements better; and

(iii) to be able to fulfil emerging Community requirements in the Single Market context. We are required, for example, to have mechanisms in place enabling animals of all species to be traced back to original and holding premises by the beginning of 1993 both for disease control and certification requirements and in relation to residue testing.'

95. Under the heading 'MAFF Interest' the paper included the following:

'2. The Ministry's interests in any national database rest mainly with possible benefits for disease control since genetic improvement would be for producers to develop; we are only concerned with the regulation of animal breeding from the point of view of controls related to animal health. Questions of genetic quality have, as a matter of policy, been left to the industry and market forces. There is no domestic legislation governing breeding programmes, and Community zootechnical rules relate to the mutual recognition of breeding organisations and their operational standards, not with genetic performance itself. Although the Wilson Report does not make much of the possibility, ADAS could be interested in bidding to run an independent database if the industry seek to establish one.

3. As far as disease control is concerned, the Government's response to the Agriculture Committee's Report on BSE undertook to initiate a feasibility study looking at the question of a computerised database. An external consultant has been retained and work is well advanced with the aim being

to present an interim report within the next few weeks. At the same time, discussions are under way within the Community on a common system for the identification of animals (a unique identification number) and a possible common records system. It will be important to stress the need for any scheme to be cost-effective, bearing in mind that existing systems have served us well in the past. But there are signs that the Commission and some Member States might envisage systems that could require massive resources. Clearly it will be important for any action taken by Government at a national level to be compatible with what emerges in the Community.'

96. Under the heading 'Response to the Wilson Report' the paper included the following:

'5. Responses to questioning about the Report need to emphasise:

(i) that a unique identification number for cattle, and other animals to be included, is an essential need for both Community requirements and computerised records for genetic improvement purposes and MAFF is engaged on a study of this aspect;

(ii) that however there is a distinction between commercial requirements related to genetic improvement and the Government's need for information necessary for the control of animal disease. The viability of a national database of genetic information depends upon its success in meeting a commercial requirement;

(iii) that the Government has launched a feasibility study into the value of a computerised database for disease control purposes. The key question to be addressed is not could existing mechanisms be improved, but rather could a heavy investment in computerised systems bring about a cost-effective improvement in our ability to tackle animal and public health problems – bearing in mind for example, the fact that any system has to rely on the speed and accuracy with which data are recorded by farmers, auctioneers etc;

(iv) that disease control and monitoring requirements will need to take account of what is emerging within the Community; and

(v) that while Government participation in the kind of arrangements canvassed in Professor Wilson' report is not ruled out, it is premature to discuss organisational issues before fundamental needs have been clarified.'

97. In a statement to the Inquiry[82], Sir Derek Andrews said:

'In my comments on this paper, I referred to the *'substantial resource implications'* and said that these needed to be kept in the forefront of the discussions in Brussels and taken into MAFF's thinking in developing a response to the Wilson Committee Report. **[M45 tab 5]**.'

[82] S Andrews 2 (WS281A), para 243

98. On 16 April 1991 Professor Wilson met Mr Long, Mr Gregg, Mr Matthews and Mr Johnson at MAFF (Victory House). Mr Johnson's note of the meeting included the following[83]:

'…

2. The objectives of the meeting were, in the context of the Wilson Committee Report: to clarify the industry requirement with regard to animal identification and tracking; and to determine the desirable extent of MAFF's involvement in establishing and administering such a system.

3. PW [Peter Wilson] confirmed that movement recording was an industry requirement even though it received less attention in the Wilson Committee Report than identification. He considers the two to be inextricably bound together, the one required to validate the other. Increasingly, movement information is required by the cattle industry to satisfy buyers (of live animals and animal products) that the animal has, at all its locations:

- had a record of good health;

- been given appropriate feed;

- been administered legal dosed of veterinary medicines; and

- been properly looked after (ie in accordance with animal welfare regulations).

It was pointed out that this would require significantly more information to be recorded than just animal movements, and that this had both sizing and security implications. PW indicated that the food wholesalers and retailers would be willing to bear some of the cost of collecting this information.

….

9. PW agreed that, while the cattle industry publicly espoused the principle of establishing a national Cattle Data Centre (CDC), the major players (eg MMB, MLC, HFS) were divided on how best to organise; vested interests were a major barrier to moving forward with the CDC idea. PW believes that the Ministry will need to take a firm line with the industry if the industry is to 'get its act together'. PW also believes that Ministry must take the lead and:

- legislate to make central cattle identification and registration compulsory;

- provide adequate resources for enforcement; and

- provide money for systems development and running costs.

[83] YB91/4.17/5.1-5.3

Without these things, the CDC initiative will probably founder. PW stressed that there is only a narrow window of opportunity to act on the Wilson Committee proposals which, if lost, will not re-present itself for a long time.'

99. On 22 April 1991 Mr Andrews replied to Mr Lowson.[84] He stated that the issue of a national cattle database had:

'...substantial resource implications. These need to be kept in the forefront of the discussions in Brussels and taken into our own thinking in developing the response to the Wilson Committee Report. I note that there will be an interim report available shortly from the external consultant. As soon as there is a draft of this Report available, I would wish it to come forward for discussion at official level. It is important that the final version of the consultant's Report takes into account all the relevant considerations.'

100. On 25 April 1991 Mr Tremberth (Press Office, ADAS desk) minuted Dr Bunyan enclosing a draft news release setting out Dr Bunyan's views on the Wilson Committee Report[85]. Attached to the draft news release was a draft reply for Mr Maclean, to Mr D Heathcote-Amory (MP). The minute was copied to Mrs Attridge, Mr Lowson and Mr Sumner. The draft news release read as follows:

'ADAS URGES ADOPTION OF WILSON REPORT

ADAS Director- General, Peter Bunyan, has called on the dairying industry to adopt the Wilson report as a matter of urgency. In a letter to the Committee, Dr Bunyan affirms: 'I realise there is much work to be done and I offer our continuous support.'

He believes that there are positive contributions ADAS could make to the establishment and running of a Cattle Data Centre (CDC) and promised to write alter to the Committee with his proposals.

Dr Bunyan made it clear that the report was well received within ADAS, saying that the establishment a CDC would be an excellent initiative that would help accelerate genetic improvement in both dairy and beef breeds by concentrating on the most desirable selection criteria. Also, it would focus national effort and enable the UK industry to compete better in world markets.

'We would encourage the use of data systems based on a 'value index' as used currently by ADAS and others,' he writes.

He confirmed that ADAS saw considerable merit in the CDC carrying out MAFF's Animal Health requirement, on contract, in addition to its commercial operations,

[84] YB91/04.22/5.1

[85] YB91/4.25/1.1-1.4

However, he pointed out that MAFF support would be crucial top obtaining EC funds for setting up and running a CDC, and as future customer for Animal Health operations.

The topic of the report, says Dr Bunyan, is a sensitive one and its discussion could have caused conflict between the many sides of the cattle breeding industry. 'The open and easy manner with which the objectives were discussed and the generous way submissions were received has in our view brought the industry closer together that it has been for many years.'

101. The draft reply for Mr Maclean read as follows:

'Thank you for your letter of 18 April enclosing a note from your local NFU about the Wilson Committee on a national cattle genetic database.

The Report presents the cattle industry with a considerable challenge. There are clearly considerable potential benefits for genetic improvement if the industry as a whole is minded to pool resources and co-operate at a national level. This is, however, a question for the industry to face.

Professor Wilson did identify potential benefits for disease control which might flow from a national database, and we have launched a feasibility study to assess the value of a computerised database for this purpose. Until this work is completed, I cannot predict the extent, if any, of Government involvement in computerised records. There is also a need to bear in mind Community developments in this field and these are difficult to judge at this stage. What I can say is that we are looking carefully at identification issues, at national and Community level, with a view to ensuring that animals are uniquely identified throughout the Community and this will have benefits for both disease control and industry initiatives in the area of genetic improvement.'

102. On 25 April 1991 Mrs Attridge minuted Mr Lowson by manuscript note on Mr Tremberth's minute[86]. Mrs Attridge's minute said:

'Please consider and advise on whether this ADAS announcement would cause us any problems. It seems to go far too far. Was it ever cleared with us? I have told Michael Tremberth to stop it until I know where we stand.'

103. On 26 April 1991 Mr Lowson replied to Mrs Attridge by a minute copied to Dr Bunyan, Mr Tremberth and Mr Gregg[87].Mr Lowson's reply read as follows:

'WILSON COMMITTEE REPORT

You asked for advice on the draft press notice circulated by Mr Tremberth.

The press notice refers to a letter from Dr Bunyan to the Wilson Committee which has already gone and which was sent without consulting us. I attach a copy. Dr Bunyan did however clear the paper that I submitted

[86] YB91/4.25/1.1

[87] YB91/4.26/2.1

on 12 April to the Secretary which sets out a cautious holding line about the possibility of MAFF's use of the new database and that it seems to me ought to be reflected in any public comment. I can quite see that the inconsistency between the line taken by Dr Bunyan in his letter and that set out in my paper, which the Secretary endorsed on 22 April, might cause embarrassment so perhaps it would be better if the press release did not issue at all. If ADAS do want to go ahead with a press release I would recommend omitting all reference to the possibility of MAFF's using the CDC for animal health purposes.'

104. On 30 April 1991 Dr Bunyan minuted Mr Tremberth by a manuscript note on Mr Lowson's minute to Mrs Attridge, which read as follows[88]:

'Mr Tremberth – I would be content to exclude points 4 & 5, but would still wish to see a Press Notice if possible, based on the text.'

105. On 7 May 1991 Mr Lowson minuted Mr Matthews in reply to his minute of 12 April.[89] The minute included the following:

'2. The reason that I have not been able to deal with the papers is difficulty (sic) which I face in trying to define the task which we are asking you and your colleagues to carry out. In most cases where feasibility studies are undertaken we know what the problem is and we are looking for ideas about how IT solutions can help us to meet those specific problems. In this case, because the initiative for action comes at least partly from outside, the task is much less clear. We are asking how, and indeed whether, IT can help us do the job that we are doing, taking account of how the job is likely to develop in the future. As you imply in paragraph 3 of your minute, this requires a clearer indication of what the essential elements of the job are than we have given you so far.

3. The way information is used in an animal tracking system is different from most others that I can think of too. Unless we have to introduce a system of advance approval of animal movements, we will never need to use most of the data that are collected, but when they are used they need to be accurate and to be as up-to-date as is dictated by the nature of the particular disease that is a problem at the time.'

4. This leads me to a similar conclusion to yours, mainly that the work so far lacks a really rigorous assessment of what the requirement is. Once we have got that, the rest of an interim report falls together fairly easily. I can therefore agree to what you propose and to the outline that was attached to your minute. As I indicated at our last meeting however I am not sure that it will be appropriate to recommend specific further action - although we can consider this when we have a draft in front of us.'

106. The words 'Is it your job to commission the draft report?' were added by Mr Lowson to the end of paragraph 4 of the minute above.

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[88] YB91/4.26/2.1

[89] YB 91/5.7/3.1

107. On 9 May 1991 Mr Matthews minuted Mr Long. Mr Matthews' minute included the following:[90]

> '1. We spoke about this project in the light of Robert Lowson's minute of 7 May.
>
> 2. We now need to progress the production of the draft report, with a view to circulating it at least a week in advance of the next Project Board Meeting of 14 June...
>
> 5. In response to the final sentence of Robert Lowson's minute of 7 May, the above should be regarded as the formal commissioning of the draft report...'

108. On 29 May 1991 the Draft AHVG Animal Tracking System – Feasibility Study, Interim Report (ATS/91/04)[91], (the 'Interim report'), was signed by Mr Johnson. The Interim report included the following:

> '1.2…..At present, AHVG does not feel that these shortcomings are seriously affecting its ability to contain and control animal disease in GB. However, the system could not cope adequately with a situation requiring very large numbers of tracings, possibly in a short timeframe; nor will it comply with the emerging EC regulations concerning the identification and registration of animals, which could be binding on Member States by 1/1/93.
>
> 1.3 There would appear to be two possible pathways open MAFF: the first is to modify and enhance existing systems, applying IT where appropriate ; the second is to build a new, fully automated, central system for animal identification and movement recording. A pathway 1 option would primarily be plugging the gaps in the current system; it would not, however, address the problems of audit/enforcement and data access, nor would it meet EC requirements (as they are understood today). A pathway 2 option would do both and, at the same time, provide a 'higher performance' system for AHVG which could cater for a large number of tracings and be expansible to cover species other than cattle.'
>
> 1.5 The Ministry is likely to come under pressure from external sources, particularly the EC, to implement a pathway 2 solution. Because the various options have not been explored in sufficient detail, it is not possible to be at all conclusive about costs (including the cost to the industry of compliance), benefits (ie the ability to address current shortcomings and better meet requirements) and the internal and external impact of systems implementation. This is information that the ministry will need if it is to take sound decisions about future courses of action with regard to animal tracking. It is therefore recommended that the study continue to the next stage: to examine more closely the options that have been identified , focusing on the factors above.'

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[90] YB 91/5.9/7.1-7.2

[91] M11C, Tab 10

109. Section 2.1 of the Interim report was entitled 'Reasons for the study'. This section included the following:

> '2.1.2 With the exception of known BSE cases and their offspring, the Ministry holds no cattle data at the individual animal level; only herd-level data is maintained. Thus, in the event of an outbreak of infectious disease, it is the farmer's identification and movement records that provide much of the basic data required to determine the origin of the disease and possible sources of infection for other holdings. Accessing, interpreting and bringing these records up to date for tracing purposes can be a laborious and time-consuming task; it is also error prone.
>
> 2.1.3 In considering the Government's actions with regard to BSE, the Agriculture Select Committee viewed with concern MAFF's reliance on this 'complicated paper-chase through farmers' records' and recommended that a comprehensive scheme for identifying and tracing all cattle should be introduced forthwith. In addition, the Committee urged a move towards the full centralised computerisation of the relevant information. The Minister's response indicated that a study would be initiated to look at the feasibility of such a system, taking particular account of:
>
> - the reliance on farmers to record accurately information about their herds;
>
> - the likely high cost of such a system and the possibility of industry funding; and
>
> - the need for compatibility with systems that might be developed by the European Community.'

110. Paragraph 2.2 of the Interim report entitled 'Study terms of reference, scope and objectives' included the following:

> '2.2.2 The objective of this study is to consider options for introducing a system into GB that facilitates the identification of an individual animal, its parent, its offspring, and all locations at which it has been held, from birth to death, including all relevant dates; and to examine the feasibility of each option in terms of its cost/benefit, technical viability and acceptability (to all interested parties). The primary focus must be on identifying the system requirements (and possible solutions) necessary to enable the effective control of disease in cattle. However, given that certain diseases can spread between species, the applicability of such a system to non-bovine farm animals must also be assessed. Additionally, given that industry interest in such a system is high, particularly in quarters where herd improvement is major factor, the costs of incorporating their requirements should also be assessed. Together with any commercial benefit that might accrue.'

111. Section 6 of the Interim report entitled 'User requirements' included the following:

> '6.1 AHVG's requirements for an animal tracking system can be summarised as a system which:
>
> - can be relied upon to provide complete, accurate and up-to-date animal identification and movement data;

- enables rapid tracing of animals in response to outbreaks of infectious disease;

- can cope with an increased volume of tracing for chronic diseases without seriously impacting work performance in other areas; and,

- is ideally expansible to cover recording of non-bovines on an individual basis….

6.2.In addition to the achievement of internal objectives, the Ministry must strive to meet its international obligations as a member of the EC: in the context of this study, to implement whatever measures the Commission adopts for applying Council Directive 90/425…..'

'6.4 At Appendix D2 is an assessment of how well - to what extent - the user requirement is met by the current system. It is clear from this assessment that the current system:

- cannot consistently support a 48 hour (or less) response time for tracings;

- would be seriously over-stretched if it had to handle a substantial increase in volumes;

- cannot be relied upon to provide complete, accurate and up-to-date information;

- does not give adequate data on stock levels (at holding) and on slaughtered animals;

- is not sensibly expansible to cover other species of animal on an individual basis.'

112. In a statement to the Inquiry, Mr Lowson said[92]:

'The feasibility study report **(M11 Tab 13)** did <u>not</u> suggest that the points identified in paragraph 6.4 of the Interim Report of the Feasibility Study **(M11C Tab 10)** would prejudice the Government's ability to deal with BSE (the Inquiry has suggested to me that those point were 'defects' which may have prejudiced the Government's ability to deal with BSE). These points were identified specifically in relation to the objectives outlined in the Feasibility Study (see paras 2.2.2 and 4 of the Interim Report **M11C Tab10**).'

113. In the same statement Mr Lowson also said that[93]:

'….

- a 48-hour response time is relevant to diseases which are spread rapidly from animal to animal. This is not the case with BSE and

[92] S Lowson 3 (WS104B) para 28

[93] S Lowson 3 (WS104B), para 30

would not have been the case even if widespread maternal transmission were shown to exist.

- Under the legislation in force at the time, data on all cattle had to be held on-farm in any case. This would not be affected by changes in the disease pattern.

- There is nothing about computerisation of data that makes it more likely that it will be complete, accurate and up-to-date than data held on farms. These qualities depend on the speed and accuracy with which data is inputted. Accessing farm-held data might take longer, but this need not be a problem with a disease like BSE, which is not rapidly spread.

- The control of BSE does not require information about stock levels on farms or about slaughtering.'

114. Under paragraph 7.6 'Costs', the Interim report stated at paragraph 7.6.1 that the very rough estimated costs for the pathway 2 options were:

'…based to a large extent on the costs of the Irish and Dutch systems described above, but adjusted (up) to take account of Britain's:

- higher cattle population;

- larger geographic area;

- weaker starting point with regard to data (held centrally) on individual animals;

- requirement to record data on ancestry.'

115. At paragraph 7.6.2, the Interim report stated that:

'Only computer development, implementation and running costs have been estimated; non-computer administrative costs, which could be high for pathway 2 options, have been excluded.'

116. At paragraph 7.6.3, pathway 1 options, were estimated to cost in the range from nil to £200,000+, depending on functionality and choice of technical platforms. Cost estimates for Pathway 2 options varied considerably depending on the particular functional refinements incorporated in the various options. The range was estimated at £2.0 million to £14.0 million capital costs, with additional annual running costs of £0.5 million to £6.0 million.

117. The Interim report stated that the first Pathway would cost less than the second, although it might fall short of all the proposed EC requirements. The second Pathway could be adapted for any future requirements, including the identification of other farm animals.

118. Under the heading '8. Recommendation', the Interim report included the following:

'8.1 In the next 6-18 months, the Ministry is likely to come under mounting pressure:

- from the EC: to implement the measures it adopts for applying Directive 90/425 (before 1/1/93);

- from the cattle industry: to provide and/or sponsor systems that give immediate access to animal identification, ancestry and movement information; and

- from the public and its representatives: to demonstrate that it is capable of dealing effectively with a 'son of BSE' (ie a chronic disease that requires rapid tracing of very large numbers of animals).

To achieve these external objectives, and better meet its own requirements for an animal tracking system for disease control purposes, a central, computer-based solution for recording animal IDs and movements is required. Initial investigations show that such a system would be very expensive, and that it would take a considerable time to implement as well as involving a large administrative overhead for both the Ministry and the farming community.

8.2 Because the options identified in section 7 have not been explored in sufficient detail to be at all conclusive about costs (including the cost to the industry of compliance), benefits (ie the ability to address current shortcomings and better meet requirements) and internal (ie organisational) and external impact. The Ministry will need this information if it is to take sound decisions about future courses of action with regard to animal tracking. It is therefore recommended that this study proceed to the next stage: to examine more closely some or all of the options that have been identified and, for each, report on the factors outlined above.'

119. Appendix D1 to the Interim Report set out the user requirements of the AHVG. Appendix D1 included the following under the heading 'Functionality & Responsiveness':

'(10) its date of slaughter (by: immediately (c or d)) (AHVG)

…

(17) its dam (by: immediately ©, for offspring of BSE cases, otherwise within 28 days) (AHVG)

…

(20) its offspring (dams only)
(by: immediately (c), for dams with BSE, otherwise within 28 days) (AHVG)
(21) its date of death or slaughter (by: immediately (c)) (Ind.)
(22) its date of death (by: within 36 hrs) (AHVG)'

120. Under the heading 'System Performance' Appendix D1 stated:

'(31) For bovines, the system must be capable of handling at least 4 times the current number of tracings for chronic diseases such as TB (ie 4 x 2, 784 p.a.) without seriously impacting performance (AHVG)'

121. Under the heading 'Legend' Appendix D1 included the following:

'(AHVG) MAFF Animal Health & Veterinary Group requirement
(EC) European Community 'notional' requirement
(Ind.) Cattle industry 'notional' requirement

(*) Commercially farmed animals and horses for AHVG purposes, including deer, poultry and rabbits; cattle, sheep, pigs, goats and horses only for EC purposes

(a) By reference to physical ID
(b) By reference to accompanying documentation
(c) By reference to central (computerised) database
(d) By reference to on-farm, or other, remotely-held records
(e) By reference to parish lists, survey maps, etc'

122. Appendix D2 to the Interim Report set out an assessment of how the current system met the user requirements. Appendix D2 included the following under the heading 'Functionality & Responsiveness (All Farm Animals)':

'3. (1-7) For bovines and deer, holding of origin can be derived from the herdmark on the eartag (provided that the animal has not been moved and retagged with the herdmark of another holding). Movement of animals on/off holdings in GB are all recorded: bovines and deer on an individual basis (in most cases), and other species on a consignment bases. Hauliers also keep records of animals transported in their vehicles (on a consignment basis). Thus, by reference to these records, it is theoretically possible to derive information about all holdings on which an animal has been kept and any vehicle used to transport it. In most cases, this information can be obtained within 28 days. However, it is unlikely that the current system could consistently support a 48 hour response time, and even less likely that it could support a 24 hour response time, particularly if large numbers of (inter-Divisional) movements are involved. (Note: a 24 hour response time conflicts with the 36 hour requirement for data accuracy and completeness).

…

5. There are major gaps in the current system with regard to the recording of animal deaths and slaughter (10, 11, 21 & 22): in GB, there is no statutory requirement to record deaths of animals on-farm, nor methods of disposal; there is no requirement to individually identify bovines sent for slaughter (either directly or via a fatstock market); and there is no requirement at abattoirs to individually record the identities of slaughtered bovines. Thus, while the information required – about slaughter at least – can probably be derived, it is not information that is readily available. It is unlikely that the current system could consistently support a response time of 48 hours or less.

…

8. (14-20) Cattle identification records, which include date-of-birth, breed, sex, approved ID and approved ID of dam, are required to be kept under British animal health law. However, the information remains on the farm of origin, thus creating an access problem if the animal moves; hence (15) is not completely satisfied. For BSE cases, a computerised database has been set up that satisfied (17) & (20). In most circumstances, dam and offspring information for non-BSE animals can be obtained within 28 days. There is no requirement, at present, for farmers to record sire's ID in cattle identification records (18).'

123. Under the heading 'Data Accuracy & Completeness' Appendix D2 included the following:

'12. (28) is a statutory requirement. However, because the data are held remotely, validation is very difficult (which makes proper enforcement almost impossible).'

124. Under the heading 'System Performance' Appendix D2 stated:

'14. (31) The current manual system could possibly cope with a four-fold increase in the number of tracings for chronic diseases, but this would almost certainly be at the expense of other tasks. It is difficult to imagine, with current manning levels, the system coping with an increase larger than this without it seriously affecting other programmes of work.'

125. In a statement to the Inquiry[94], Mr Meldrum said:

'I do not recall receiving a copy of the 29th May 1991 Interim Report of the Feasibility Study **(M11C Tab 10)**, nor do I believe I would have been provided with a copy. A copy of the Interim Report has not been found on my files for the relevant time. Nor for that matter has a copy of the Final Report been found. It is noted that the Interim Report is headed 'Draft' and is, in essence, a draft of the Final Report which was circulated to various people by Mr Sheldon on 23rd December, 1991 **(YB91/12.23/1.1)**. In passing it is further noted that my name does not appear on the circulation list for the Final Report. Although I did not receive a copy at the time of Mr Matthews' minute to Mr Long dated 9th May, 1991 **(YB91/5.09/7.1-7.2)**, that minute clearly refers to the production of the 'draft report, with a view to circulating it … in advance of the next Project Board Meeting'**(YB91/5.09/7.1)**. This would seem to indicate that the purpose of the Interim Report was for discussion within the Project Board and not for general circulation. It would therefore not seem appropriate for me to have received a copy….'

126. On 5 June 1991, Ms Sally Derham from the MAFF Project Support Office, sent an agenda of the next ATPB meeting, to be held on 14 June 1991, to Messrs Lowson, Matthews, Gregg, Widden, Philip, Long and Johnson and to Dr Matthews, of the SVS. Mrs Attridge was sent a copy for information. At point 4 of the agenda stated:

[94] S Meldrum 7 (WS184E), para E8

'Review of Interim Report (ATS/91/04) (This paper was circulated separately)'[95]

127. On 11 June 1991, Mr John Parker, the Software Engineering and Quality Manager of Mouncey and Partners Ltd, wrote to Mr Matthews with his 'thoughts and observations on the Animal Tracking System as it stands today.' He said, ' I have marked them confidential as they represent my personal views based on the little knowledge I have been able to gain from the report and my personal experiences at MAFF over the last two years.' Under a heading 'Major Comments' he stated:

'Before a system is specified there are policy decisions to be made to resolve the GB position (the current practices and AHVG's requirements) versus overseas practices and likely EC legislation. However it would seem to me that some form of Pathway 2 solution is an EC legislative requirement.

To agree policy and fix requirements requires the bringing together of various parties with differing views. To have a successful project requires the creation of a motivated project structure from ITEC through the Project Board to the team. This may not be easy as the main MAFF players, AHVG seem not to want the system.'[96]

128. Under the heading 'Business Case', Mr Parker wrote:

'This is going to be another one of those systems where the business case will be difficult. Without some very clever creative accounting, it could not possibly be justified on the whole-post staff-saving principle. The best one could do is establish an absolute GB or EC legislative or political imperative and justify the system on the basis of the least cost to meet that imperative.

The cost of building a system to collect all the data will be very high. The cost of running the system will be very high, based solely on data volumes. The amount of use of the data will be relatively low (movement/tracing ratio). The only hope for a more normal cost justification would be if someone could find a regular and high volume commercial use for the database and above tracing.'

129. On 14 June 1991, an ATPB meeting was held.[97] The minutes of the meeting included the following:

'5 Review of Interim Report

5.1 Mr Johnson presented the Interim Report. It was agreed that any comments on the report would be sent to him and once all comments had been incorporated a final report would be produced.

Action: Mr Johnson

[95] YB 91/6.5/9.1

[96] YB 91/6.11/2.1-2.5

[97] YB 91/7.17/5.1-5.2

5.2 Discussions in Brussels had revealed that the Commission envisaged that data from a Community system might be used for financial control purposes as well as disease control; and also that other member states seemed now to be less enthusiastic than in the past for elaborate computerised systems….

5.7 It was agreed that AHVG would advise Ministers in the light of the study's findings so far on a possible response to the recommendation of the House of Commons Agriculture Committee. ITMG[98] would need to consider how and whether the study should go forward, and if so what form further work might take.'

130. Paragraph 7 of the minute entitled 'Date of next meeting' stated:

'7.1 It was agreed that until a decision had been made on how the study would progress no further meetings would be arranged.'

131. In a statement to the Inquiry[99], Mr Meldrum said:

'….The note of the meeting does not indicate that it was the Project Board's intention that the Interim Report should be circulated generally within MAFF, and more particularly to officials beyond those on the Project Board or to Ministers.'

132. On 14 June 1991, Mr Matthews minuted colleagues in ITD regarding the outcome of the ATPB meeting.[100] His minute included the following:

'2. Although there is a good measure of agreement in many areas, there are still one or two quite major sticking points between AHVG and ITD. AHVG (rightly) point to the high cost of an IT system and a number of issues associated with data capture. We point out that the existing system, by AHVG's own definition (let alone when one takes account of external pressures), does not meet the user requirement. The report itself struck a good balance between these areas, and therefore was not disputed to any extent. A number of mainly cosmetic changes will be made and it will be reissued at full sign-off. The key point however is what happens next.'

3. In this regard we agreed as follows:

a) Robert Lowson will prepare a draft report to the Minister...I said that we would be looking for a quite clear statement in the report that the existing system does not meet the stated requirement and is not expansible beyond a comparatively small increase in 'traffic' volume'….'.

133. On 4 July 1991, Mr Matthews minuted Mr Lowson with what he 'considered to be the required next steps, both with regard to this project and generally'.[101] His minute included the following:

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[98] Information Technology Management Group, Mr Haddon chaired the Group (T45, p120). Mr Lowson was also on the Group (YB 91/12.6/2.1 - see para 47)

[99] S Meldrum 7 (WS184E), para E8

[100] YB91/6.14/3.1

[101] YB 91/7.4/7.1-7.6

‘2. I believe that the feasibility study work performed by PA has established that the existing Animal Tracking ‘support’ system is very limited, in all respects. It does not meet the user requirement for AHVG described in the interim report, and just cannot touch EC requirements referred to therein (although it is acknowledged that these are still emerging/under negotiation). However, at the current low level of activity (some 2,500 tracings per annum) the basically manual AHVG system does cope. Nevertheless, the conclusion must be that any UK animal tracing strategy based on the existing is by definition:

(a) Limited in capacity - the study estimates that the system is probably not expansible to trace more than about 10,000 animals per annum maximum (against a current average of 2,500 tracings per annum and an average cattle population of about 10 million);

(b) Limited in terms of accuracy/completeness of tracing activities performed. The current system has evolved over time rather than been designed as a complete, controlled and integrated whole. Existing tracing systems therefore are not always fully completed (in terms of tracing all suspects) or error free;

It is fairly self-evident from a) and b) above how unprepared, in terms of ‘support’ systems as opposed to veterinary systems, AHVG is to deal with any significant increase in animal tracing activity.

3. It is recognised that to introduce an IT system on the lines considered in the feasibility study which significantly improves tracing ‘performance’ and meets EC requirements -

(a) would be very expensive to implement;

(b) would probable have legislative implications;

(c) could not be fully optimised until further technological developments (like electronic identification) are generally available;

(d) would still be very ‘farmer-dependent’ with regard to accuracy and timeliness of data;

(e) would not, in pure system design terms, be a very complex system, so would not be risky, innovatory or novel from an IT perspective. The complexity/risk relates to making the individual parts work together effectively, particularly with regard to data capture;

(f) could be designed and implemented in a manner which should raise tracing performance by orders of magnitude in many cases (though its capability to be highly effective in a ‘worst case’ situation (eg a major FMD emergency), whilst it clearly would be significantly better than the existing system, would need to be assessed carefully as part of further study before any pronouncements/promises were made);

(g) is the sort of IT system that if it was not implemented effectively could become a nightmare of forms ~~of~~ traffic and fall into dispute.

4. With regard to next steps, therefore, there are a number of points:

(a) For the report back to Ministers the IT element of the advice will be balanced to take account of the above. The limitations/risks implicit in the current system are considered extremely constraining, unacceptably so if contingencies involving significantly increased (against the current small volume) tracking activity are considered. However, the non-trivial nature of delivering an effective replacement system based on IT is well appreciated and should be acknowledged in the report;

(b) The ITD line will be that the risks are such that we cannot call a halt to work to try and identify improved systems at this stage. A number of follow on actions are therefore proposed, and these are considered at 5 following.

5. There is a need to carry work forward on the AHVG animal tracking project; additionally more general IT support for tracing should be considered by ITD/AHVG. ITD is planning some more general analysis of IT support for 'emergencies' and AHVG's requirements will have a part to play in this. These 3 activities are described in a) - c) following and paras 6-8:

(a) The further Animal Tracking work would involve a deliverable which pointed the way in the longer-term, and advised on how (and when) we should put in place plans to meet the long term requirement (this deliverable will include consideration of putting the 'full' system on the back-burner until technology/requirements were clearer);

(b) Some study of how IT generally (in advance of the long term Animal Tracking requirement) might be used more effectively for tracing and other AHVG 'emergencies' activity;

(d) How the AHVG requirement fits within the overall emergencies IT requirement (including the 'Mason Report'[102]) needs to be addressed. It is considered that some more 'general' emergencies IT-related activity is required involving EFPD[103], AHVG and others.'

134. On 16 July 1991 Mrs Attridge chaired a meeting with livestock industry representatives from the NCBA, MLC, NFU, FUW, the National Animal Data Centre (NADC), SNFU and MFS, among others. Mr Gregg and Mr J

[102] The Mason Report was the output of a review of the Ministry's handling of a 1989 incident involving contamination of imported animal feed by lead which affected nearly 1,800 farms. The Report provided a chronological account of the incident and identified lessons to be learnt for the handling of future nuclear and chemical emergencies affecting food safety.

[103] Emergencies and Food Protection Division

Riley (ADAS) were also present at the meeting. Mr RW Kershaw-Dalby (NCBA) wrote to Mrs Attridge on 26 July 1991 enclosing a draft summary of the meeting prepared by the NCBA.[104] The draft summary included the following:

> 'The recording of animal movements have been discussed but it was unanimous that the EEC did not require central recording of movements, records were to be retained on farm. The EEC however would require holding registration and a unique identity number for each animal.
>
> The control and regulation of making was to be kept a responsibility of the governments of member state but each government could appoint a private agency to carry out this work under their supervision.
>
> MAFF were also looking at animal identification and movement recording because of the Agricultural Select Committee report on BSE and the report of the Wilson Committee. Outside consultants had advised on the establishment of a database to record animal identity and movements but the cost of data collection had been shown to be prohibitive. MAFF did however see a need for the control over the issuing of ear tag numbers by a central organisation.
>
> The HEC looked at the problem from an animal disease point of view but some though was now being given to using this system to be up and running for the 1st January 1993. The numbering system could be a mixture of alpha and numeric. Sequential rather than random numbering was preferred by the UK although it was possible that other members states may use random numbering.'

135. On 25 July 1991, Mr Scott (DAFS) wrote to Mr Lowson following their meeting the previous week about animal identification. His letter read as follows[105]:

> 'ANIMAL IDENTIFICATION
>
> We had a useful meeting last week, I think. However, I am a little concerned as to where we go from here.
>
> You want identification for health reasons, so as to be able to permit the free flow of trade. The commodity people appear happy to make use of such a system to be able to audit their beef and sheep premium payments. Both of these are effectively historical records, and so could be achieved by means of an animal passport system, albeit that this could be very cumbersome in terms paperwork, and I am not quite sure how this marries up with the various requirements for the competent authorities to be notified.
>
> However what does cause me concern, as I said at the meeting, is the apparent incompatibility of such a system with the various welfare requirements currently being discussed. I accept that there is a fundamental

[104] YB91/7.26/4.1-4.8

[105] YB91/7.25/2.1

difficulty in that for these purposes, records are required while the animals are in transit, not after the event, and that would inevitably impose a far greater burden on the recording requirement.

It does seem to me that we are almost inevitably going to be forced into a centralised and therefore computerised system, however difficult that may be to get the finance and to set up, let alone to ensure that such a system was then properly operated. I would agree entirely with the Northern Irish that we could not operate such a system if it had to be extended to individual sheep, pigs and goats; their cattle system is up and running and seems to work, albeit that it effectively requires a farmer to get the Department's permission to move animals, a restriction not at present imposed on GE producers.

However, I should be grateful to know where you propose to go from here. The question will inevitably come up at the meeting which Keith Meldrum proposes to hold on 30 July on the single market.

I am copying this to Gregg Shannon, Alun Huws and to Andrew Perrins.'

136. On 1 August 1991, Mr Lowson circulated, a draft submission to the Minister, including a summary of the feasibility study for comments.[106] Mr Lowson's covering minute read as follows:

'1. I attach the draft of a paper to go to Ministers to deal with the recommendation of the Agriculture Select Committee last year that we should introduce a centralised computer system of animal records so as to deal with BSE. I would be grateful for comments, to reach by the time I return from leave on 2 September 1991.

2. This note takes account of the finding to date of the animal tracking feasibility study, which has looked at the whole range of AHVG's requirements in the area of identification, movement, etc records. We need to consider what further work needs to be done in this area as a whole, and Mr Matthews and I are aiming to circulate short notes on the next steps, for consideration at the next meeting of the AHVG ITMG.'

137. The minute and draft submission were circulated to: Mr Meldrum, Mrs Attridge, Mr K Taylor, Mr A G Matthews, Mr Edwards, Mr Dugdale, Mr R Long, Dr Matthews, Mr Lawrence, Mr Bradley, Mr Wilesmith, Mr Maslin, Mr Gregg and Mr Widden.

CLARIFICATION

It seems that the only people to have seen the Interim report are the members of the ATPB and possibly Mrs Attridge (who was copied the agenda of the relevant meeting, see para 72). It is unclear if the following people saw the draft feasibility study: Mr Meldrum, Mr K Taylor, Mr Edwards, Mr Dugdale, Mr Lawrence, Mr Bradley, Mr Wilesmith, Mr Maslin and Mr Pearson.

[106] YB 91/8.1/2.1

138. The draft submission read as follows:

'BSE: COMPUTERISED RECORD KEEPING

Background

1. One of the recommendations of last year's report by the House of Commons Agriculture Committee was that a computerised system should be set up to record the parentage and offspring of all cattle. In response the Minister said that a feasibility study would be undertaken. We have pursued the study over the past year with the aid of the IT Directorate and an independent consultant. The coverage of the study was wider than the single issue raised by the Select Committee, because of the need to assess the options for fulfilling possible Community requirements for animal identification and tracking. How to pursue these wider aspects will need to be considered further in AHVG. But it is possible to draw conclusions now about the Select Committee's recommendation.

Objective

2. Neither the Select Committee nor those who advocated the creation of a computerised database (among whom the NFU were prominent) produced detailed arguments about how it would work or what it would be designed to achieve. It was however widely believed that if BSE were to be transmissible from dam to offspring it would be necessary to slaughter all offspring of BSE cattle in order to achieve eradication of the disease. Although the identities of known offspring of BSE cattle are recorded so that they can be identified when marketed so as to avoid their being moved out of the UK, the theory presumably was that a new system was needed to locate all the calves of BSE cattle so that they could be found and dealt with. As the Tyrrell Committee made clear in its advice on the control of BSE, however, the basic premise is faulty; if the disease is transmitted only to the calves of animals which eventually show clinical signs, it would still die out of its own accord, but if other routes of transmission occur (as they appear to in the case of scrapie) slaughtering such calves would not be enough to eradicate it. Another factor was that when public concern about BSE was at its height farming organisations were looking for ways of securing guarantees that the animals that were bought on the open market were not the offspring of BSE cows.

3. Developments over the past year have reduced the pressure for action. Overall concern about BSE has subsided; while disease has occurred in one animal where maternal transmission appears to be the most likely explanation, it is only one, so the evidence at present is that maternal transmission is not likely to be an important factor in the future of the epidemic; and while the cattle market as a whole has been depressed there is little sign of differentials depending on whether or not an animal is the calf of a BSE case. Furthermore if epidemiological forecasts turn out to be right the number of cases will be falling rapidly by the time a system is running and data relating to the peak of the epidemic will be gone forever.

Feasibility Study

4. The key findings of the study as regards the Select Committee proposal were:

(i) a fully automated system of cattle records is technically feasible - indeed several European countries are already embarked on schemes like the one advocated by the Select Committee;

(ii) a system which simply provided records of the offspring and parentage of cattle would be of limited use for the control of diseases other than BSE (and, as indicated above, its value in dealing with BSE is limited too). An elaborate computerised animal identification and movement record system might have wider application - but even so its value in improving our ability to deal with most known disease problems would still probably be limited. While there is no doubt that such a system would greatly improve the amount of data available to assist in disease enquiries, it is less clear that this would yield benefits in line with the costs (see (iii) below). IT investment could well pay higher dividends if applied to other aspects of disease control;

(iii) the cost could be very high; depending on the approach and range of functions offered by the system, initial costs could be in the range of £3-14 million, and annual costs £0.5-6 million;

(iv) although a computerised system is technically feasible, it would stand or fall on the readiness of those involved in the animal trade to record data with the necessary speed and accuracy; and

(v) the Community is developing its own system of animal identification and record keeping. Any UK system would need to be compatible with that, and therefore to avoid becoming too far developed before decisions had been taken at a Community level.

Conclusion

5. There appears to be no case for accepting the Select Committee's recommendation. It was initially based on a wrong premise (that the wholesale slaughter of calves might be necessary to control BSE); the factors that gave rise to premise for action have diminished considerably; and a computerised system to replace existing manual record keeping, while technically feasible, would be very expensive, perhaps not cost-effective even if applications other than the control of BSE are considered (although these need to be considered further, and need be developed, if at all, in line with a Community system).

6. Ministers have not given any commitment to communicate further with the Agriculture Committee on this topic. However if the conclusion in paragraph 5 is accepted it would make sense for the Minister to round off consideration of the Select Committee Report by writing to the Chairman, and a draft letter is attached.'

139. In a statement to the Inquiry Mr Lowson said[107]:

'The feasibility study was not the response to the Agriculture Committee report. This is made clear from an agreed submission **(YB90/7.24/13.1-13.2)** which I put forward explaining that work on alternative systems of

[107] S Lowson 3 (WS104B), para 29

data management to the maintenance of written records on-farm would be undertaken in the context of work being done by MAFF's IT Directorate on an IT strategy for the SVS/AHG. The animal tracking project was part of a wider study of the use of IT in MAFF's veterinary services. It therefore dealt with issues that went wider than BSE; it was explicitly agreed at the project board meeting recorded in the minutes dated 17 July 1991 **(YB91/7.17/5.1-5.2)** that Ministers would be advised in the light of the Study's findings so far on a possible response to the Committee recommendation and that the question of how the animal tracking project would be taken forward would be considered separately from that. The paper which I put forward on 1 August 1991 **(YB91/8.1/4.1-4.7)** was therefore quite clearly not a report on the findings of the Animal Tracking Feasibility Study **(YB91/10.11/1.1-1.7)**. This is made absolutely plain in its first paragraph, which also spells out that work would need to continue on the wider aspects of the Feasibility Study . There was no inconsistency between a report which identified possible avenues for the further development of a tracking system to meet MAFF's general policy needs on the one hand and on the other hand my submission which advised that the House of Commons Agriculture Committee recommendation should not be accepted. The reasons for not accepting the recommendation are set out in paragraph 5 of the submission **(YB91/10.11/1.1-1.7 at 1.4)** and I note that the Inquiry has not sought to dispute these.'

140. In the same statement, Mr Lowson said[108]:

'I explained in my oral evidence **T43 (Vol T5 Tab3)** that the key measure to control the disease in cattle was the Ruminant Feed Ban. The measures to deal with the risk of exposure of people, and later, other species were the requirement to slaughter and destroy suspects, the ban on the use of milk from suspects, and the Specified Offal Ban. These measures were of general application. They applied to the feeding of all cattle and to the handling of specified offals from all adult cattle, so there was no need for a system which operated selectively. It follows that there was no need to identify those animals to which control measures should apply and hence no need for a tracking system, whether or not computerised to manage them.'

141. Also in the same statement, Mr Lowson said[109]:

'…For myself, I had indeed reached the conclusion, that, for the reasons described in the submission, the Committee's recommendation about cattle tracking should not be pursued at the time. This was a conclusion shared by all those to whom the paper was shown in draft. The IT Directorate were not urging that the Committee's recommendation should be accepted, but rather that the scope of the paper should be widened to bring out their broader concerns **(YB91/8.21/2.1-2.3)**.'

142. In a statement to the Inquiry, Sir Derek Andrews said that he did not see the draft submission at the time.[110]

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[108] S Lowson 3 (WS104B), para 26

[109] S Lowson 3 (WS104B), para 32

[110] S Andrews 2 (WS281A), para 244

143. On 2 August 1991 Mr S Rossides (Head of Livestock Department, NFU) wrote to Mrs Attridge setting out the NFU's initial response to MAFF's comments at their meeting on 16 July 1991[111]. His letter read as follows:

> 'Animal Identification in the UK
>
> I am writing to you to set out the NFU's initial response to the comments made by MAFF at the meeting with livestock industry representatives on 16 July.
>
> The Wilson Committee recommended that a Cattle Data Centre (CDC) should be established to resolve the problems of identification and genetic improvement of livestock. It be stressed that the key to the future success of the CDC would be sufficient funding from both the industry and Government.
>
> Collectively, the livestock industry recognises that the current methods of animal identification are inadequate. MAFF agreed with this in its response to the Agriculture Select Committee on BSE when it stated that: 'It is of course inevitable that some animals might not be traced using these existing systems'.
>
> However, during the meeting on 16 July MAFF, the clear view of MAFF was that the current identification system required only slight modifications. This is despite MAFF welcoming the formation of the CDC. MAFF also acknowledged that it would not give financial support to establishing a National Animal Data Centre.
>
> The NFU finds this position confusing and unsatisfactory. There is no doubt that a computer system dealing with cattle identification would have to be centralised. In addition, it is only right for those organisations, including MAFF, with an interest in and benefiting from such a system should contribute towards the running of it. The industry needs financial support for the CDC if a more effective system of unique identification is to be established.
>
> I hope you will carefully bear these views in mind as you consider this issue.'

144. On 2 August 1991, Mr Meldrum replied to Mr Lowson's minute of 1 August.[112] He made a number of comments including:

> '2. The issue of non-slaughter of the offspring of BSE affected dams comes out somewhat starkly in both the note and also the draft letter. In paragraph 2 one might say that the slaughtering of such calves would accelerate the process of eradication.
>
> 3. In paragraph 3 one could add that to set up the system would take so many years and would not show an appreciable number of cattle

[111] YB91/8.2/6.1-6.2

[112] YB 91/8.2/5.1

movements for say 5 to 10 years because retrospective information could not be computerised.

4. In paragraph 4(I) you may wish to mention that Northern Ireland has such a system.

5. In paragraph 4(v) we should emphasise that the Community is developing its own system and that this is the only sensible way forward.'

145. In a statement to the Inquiry[113], Mr Meldrum said:

'…The minute reflected the purpose of the draft submission, i.e. it 'takes account of the findings to date of the animal tracking feasibility study, which has looked at the whole range of AHVG's requirements in the area of identification, movement, etc records. We need to consider what further work needs to be done in this area as a whole'. In addition, paragraph 1 of the draft submission specifically stated that the coverage of the Feasibility Study was wider than the single issue raised by the Agriculture Committee because of the need to assess the options for fulfilling possible Community requirements for animal identification and tracking. It goes on to say that how to pursue those wider aspects would need to be considered further in the AHVG, 'but it is possible to draw conclusions now about the Select Committee's recommendation'. Further, at paragraph 4 of the draft submission reference is made to the key findings of the Feasibility Study 'as regards the Select Committee proposal.

I made a number of comments on the draft submission **(YB91/8.2/5.1)**, in particular noting that it might be added that to set up the computerised system would take so many years and would not show an appreciable number of cattle movements for say five to 10 years because retrospective information could not be computerised. However, in general, I agreed with the arguments put forward by Mr Lowson for concluding that there appeared to be no case for accepting the Agriculture Committee's recommendation. This was on the basis of the feasibility study, because I was aware that colleagues in the SVS had put over the most convincing case that they could muster and clearly this had not convinced the study team that a computerised system was cost effective in the face of the proposals then being discussed in Brussels.'

146. On 5 August 1991, Mr Bradley minuted Mr Lowson .[114] He stated that the draft submission seemed 'a well argued case with which I agree.'

147. Also on 5 August 1991, Mr Matthews minuted Mr Johnson in order to pass on a copy of Mr Lowson's draft paper.[115] He said that:

'What strikes me is that this focuses totally on BSE, with no real reference to Animal Tracking generally. It is obviously in response to this paper that

[113] S Meldrum 7 (WS184E), para E9

[114] YB91/08.01/6.1

[115] YB91/08.05/5.1

we need to make some of the points made in the Feasibility Study about general unpreparedness etc...'

148. On 7 August 1991, Mr Kevin Taylor minuted Mr Lowson. His minute included the following:

> 'I have seen Mr Meldrum's response. The only additional suggestion I wish to make concerns paragraph 2, where I think that the second sentence would be better rephrased to read 'There seemed to be an implicit assumption, however, that if BSE was shown to be transmissible from dam to offspring it would be necessary to slaughter all offspring of BSE cattle in order to achieve eradication of the disease.'[116]

149. On 8 August 1991 Mr Haddon formally replaced Mrs Attridge as the Under Secretary of the Animal Health and Veterinary Group, although he did not take up the post until later that month on his return from annual leave.

150. Mr Lowson wrote to Mr Rossides (NFU) on 8 August 1991.[117] He wrote:

> 'To say that the [animal identification] systems currently available to us do not enable every animal to be traced is not the same as saying that the present system is inadequate for the purposes of controlling animal disease. Nor is it the same as saying that creating, or participating in, a new centralised computer based system would be cost effective...this is a complex and important issue and if you would like to discuss it further I would be only too happy to do so. Whatever we may think of the value of a computerised system it is clear that changes are going to have to be made in our existing systems at least in order to accommodate new Community requirements. It is important that as far as possible the industry is kept informed of our thinking and vice versa.'

151. On 13 August 1991 Mr Johnson minuted Mr Matthews. Under the heading 'Lowson minute' he stated:

> 'I would suggest making the following changes to paragraphs 4 and 5. For the sake of completeness, in 4(i) I would include the fact the Northern Ireland has an operational system in place for cattle identification and movement recording. In 4(ii), first sentence, I would qualify 'diseases' with the word 'known'. In the second sentence, I would change the word 'might' to 'would' and replace everything after the hyphen with 'but even so would not entirely obviate the need for additional manual data collection and validation in cases of outbreaks of exotic diseases (eg. foot and mouth).' In 4(iii), I would prefer to see cost estimates quoted as 'up to' rather than as broad ranges; without the supporting data they appear somewhat dubious. Thus 4(iii) should read '...initial costs could be as high as £14 million will annual costs up to £6 million.' 4(v) should read 'the Community is developing its own standards for animal ID...Any UK system would need to be compatible with those standards...' Para 5 seems too strongly worded. It may be true that a computerised system would be

[116] YB 91/8.7/1.1

[117] YB91/8.8/2.1

of limited benefit for BSE; but it could help considerably with a 'son of' situation should one crop up sometime in the future, which is, in part, what the Select Committee is driving at. I appreciate the reasons why RL has confined his comments to BSE, but he leaves himself open to criticism if he does not address animal tracking on a more general basis.'[118]

152. On 15 August 1991 Mr Matthews minuted Mr Lowson, concerning the Feasibility Study[119]. His minute included the following:

'AHVG: 'INTERIM REPORT' EMERGENCT SUPPORT

1. We have agreed that the Animal Tracking Feasibility Study should be completed in the manner described in my minute of 4 July. I have now received the attached from PA. At this stage going ahead on the lines of Peter Johnson's para 5 is my recommendation with the possible option of also picking up his para 6. Perhaps Ray Long can have some initial follow-up with PA on that basis; I will contact you on return from A/L[120] to go over this. Additionally, when we met at Tolworth recently I agreed to write to you, expanding on my minute of 4 July, with regard to the 'interim' activity I felt needed to be put in place in advance of any new comprehensive Animal Tracking system. This minute is intended to do that.

2. The reasons why ITD consider that such an interim support system is required by AHVG are explained in my minute of 4 July. The Feasibility Study on Animal Tracking has identified, in pure support system terms as opposed to veterinary/professional terms, a level of unpreparedness in MAFF in the event of an emergency involving the tracing of large numbers of animals. The Feasibility Study estimates that the existing, mainly manual, tracing system would not be able to cope with numbers of tracings greater than about 10,000 per annum (the average number traced is about 2,500 per annum at the moment). Given that our total cattle population is about 7 million, event this maximum capacity represents a very small percentage - about 0.15%. We acknowledge, of course, that the veterinary/professional judgements are the key ones here. If AHVG's judgement is that the risk from emergencies requiring large numbers of tracings is so insignificant as not to require any increase in tracing capacity, then of course ITD would accept that judgement. However, from the business analysis work done so far that ITD view (and given the numbers and percentages involved, I think the 'commonsense' view) is that the low capacity of the current system in comparison with the known population is such as to create a potentially very risky situation if future large scale tracing has to take place. When we comment on your draft minute to the Minister, we will be making this point.'

153. On 21 August 1991 Mr Matthews minuted Mr Lowson with suggested amendments to Mr Lowson's proposed submission on the feasibility study to the Minister. His minute included the following:[121]

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[118] YB 91/8.13/1.1-1.2

[119] YB91/08.15/8.1-8.4

[120] annual leave

[121] YB 91/8.21/2.1-2.3

'2. As you know from Project Board meetings when we have discussed the emerging findings of the Feasibility Study on Animal Tracking, ITD has a number of concerns with regard to the nature and capacity of existing tracing procedures, whether in the BSE context or any other. Whilst we appreciate that the primary focus of your briefing has to be BSE, we consider that the absence of any reference to wider aspects of the Feasibility Study's findings (particularly limitations in the 'support' systems for tracing) may be counter-productive in the long-run. In the event of a 'son of BSE' situation, particularly one that required levels of tracing above the limits of the existing system, we might have some difficulty in defending the restricted context you propose for the Minister's reply, particularly as presented in the final paragraph of the draft letter.

3. Our view on this key point is that the reply should be broadened to draw out the fact that the Feasibility Study has highlighted areas where current systems can be improved. We could also make the more positive point that both in the short and longer term we are actively pursuing the use of IT to develop and enhance the support systems to the Veterinary/Professional staff. We suggest that this sort of flavour should be injected into both the second and final paragraphs of the draft letter…….

5. With regard to the briefing material we have a number of detailed comments:

(a) Ref para 4(i) - for the sake of completeness it would be worth making reference to the fact that Northern Ireland has an operational system in place for cattle identification and movement recording (Mr Meldrum has also flagged this);

(b) Ref para 4(ii) - in the second sentence we would suggest replacing 'might' with 'would' and to replace everything after the hyphen with 'but even so would not entirely avoid the need for additional manual data collection and validation in cases of outbreaks of exotic diseases (eg. foot and mouth)';

(c) Ref para 4(iii) - could you please preface this by 'Although only very initial investigation has taken place on costs and benefits it is clear that';

(d) Ref para 4.5 - the reference here should be to Community standards not a Community 'system', the UK system would need to be compatible with those standards.

Given what we've said above you will recognise that we think paragraph 5 of the briefing is too strongly worded. It may be true that a computerised system would be of limited benefit for BSE, but it could help considerably in dealing with similar situations if they crop up in the future. AHVG is much better placed than ITD to interpret if the Select Committee's thinking was totally confined to BSE or not, our view from a more general business analysis perspective is that, with regard to the systems that support AHVG's business in this area, there are currently weaknesses that can and should be addressed.'

154. In a statement to the Inquiry Mr Lowson said[122]:

> '….As a preliminary point, Mr Matthews himself recognised in his minute of 21 August **(YB91/8.21/2.1-2.3)** that there was a distinction between measures to deal with BSE on the one hand and MAFF's wider requirements on the other. The Inquiry will need to ask him to what extent he believed then that a computerised system was justified to help with the control of BSE, but in the same minute he said that
>
> 'It may be true that a computerised system would be of limited benefit for BSE'**(YB91/8.21/2.1-2.3 at 2.3)**.
>
> I had to judge whether any useful purpose would be served by widening the coverage of the submission in the way that Mr Matthews recommended. I concluded that it would not be, the clear purpose of the submission was to deal with the response to the House of Commons Agriculture Committee report; and the submission made it clear that work was going ahead on other wider issues.'

155. In a statement to the Inquiry[123], Mr Meldrum said:

> 'Mr Matthews' minute to Mr Lowson dated 21st August 1991 **(YB91/8.21/2.1-2.3)** was in response to Mr Lowson's minute and draft submission of 1st August, 1991 **(YB91/8.1/2.1-2.7)** and was copied to all those that had received the draft submission, with the exception of Mrs Attridge. I cannot recall this minute nor can I find a copy in my files for the relevant period. In any event, whilst I would have noted Mr Matthews' comments, at this stage I would have considered it to be more appropriate for Mr Lowson and the other members of AHVG on the Project Board to consider if and how the points made in Mr Matthews' minute should be incorporated into the draft submission. The same applies to my own comments to Mr Lowson and those of others to whom the draft submission was copied, such as Mr Bradley and Mr K Taylor. However, more fundamentally it should be noted that, as mentioned in paragraph 9 above, Mr Lowson's draft submission was only concerned with the Agriculture Committee's advice on dealing with BSE and whether a computerised system would be of benefit for the control of that disease (see paragraphs 2 to 5 above). The draft submission had flagged the need for consideration of the wider aspects and how they should be pursued outwith the context of BSE. This would not necessarily affect the conclusion that would be reached as to whether the existing system needed to be modified to enable MAFF to adequately deal with BSE. Indeed, Mr Matthews' minute of 21st August 1991 recognised in paragraph 5 that it may be true that a computerised system would be of limited benefit for BSE **(YB91/8.21/2.1-2.3)**. Whilst the points made by Mr Matthews were relevant for future consideration, it would not appear that the wider aspects needed to be dealt with in detail in the draft submission dealing with the response to the Agriculture Committee's recommendation.'

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[122] S Lowson 3 (WS104B), para 33

[123] S Meldrum 7 (WS184E), para E11

156. On 27 August 1991, Mr Wilesmith wrote to Mr Lowson on the draft paper to go to Ministers on cattle tracking.[124] He stated:

> 'I have not been involved to any extent in the discussions on the suggested initiative, except for a brief visit by the consultant from PA. The only brief comment I have which is really stimulated by the responses from the CVO and Tony Matthews relates to the system in Northern Ireland. If my understanding is correct, then Northern Ireland does not have a computer system which records offspring and parentage. I believe it only records, retrospectively, animal movements.'

157. On 17 September 1991, Mr Lowson minuted Mr Hollis about the European Commission's latest proposals on the identification and registration of animals.[125] His minute was copied to various MAFF officials, including Mr Meldrum, Mr Haddon and Mr Matthews. The minute included the following:

> '3. At last week's meeting of Community CVO's the Commission tabled the latest version (confusingly given the same number as the previous version, VI/3002/91), of which I attach a copy...
>
> 4. In presenting the proposal the Commission said that, in addition to providing the basis for tracing animals for disease control purposes, the measure was designed to help in the enforcement of subsidies for sheep and cattle...This required a system that would enable each animal to be uniquely identified, and the maintenance by farmers of a comprehensive register of animals on their holdings...
>
> 6. We now need to consider how to handle this proposal, from the point of view not just of negotiation but also from that of implementation, which will require major new resources, and fundamental changes in our existing arrangements, if agreement emerges on anything like the basis proposed….'

158. The final report of the AHVG Animal Tracking System Feasibility Study (the 'Final report') was dated in October 1991.[126]

CLARIFICATION

It is unclear whether this document was signed and made available to those outside the ATPB in October or whether it was only subsequently made available later in 1991. We have asked MAFF to contact Johnson and Long to see if they recall when they signed the final document. Mr Long has indicated that he does not recall the details.

159. On 11 October 1991 Mr Lowson minuted Mr Rossington (PS/Mr Gummer) attaching a submission entitled 'BSE: Computerised Record

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[124] YB91/08.27/1.1

[125] YB91/09.17/4.1-4.14

[126] M11, Tab 13

Keeping'.[127] The submission and covering minute were sent to Mr D North (PS/Mr Maclean), Mr S Hunter (PS/Mr Curry), Mr Robinson (PS/Mr Andrews), Mr Adams, Mr Capstick, Mr Meldrum, Mr Haddon, Mr Selwood, Mr K Taylor, Mr A G Matthews, Mr Dudgale, Mr Robertson, Dr Matthews, Mr Maslin and Mr Pearson. Mr Lowson's covering minute read:

> 'One of the recommendations of the House of Commons Agriculture Committee when they reported on BSE last year was that we should introduce a computerised system to record the parentage and offspring of all cattle. In our response we said that a feasibility study would be undertaken and the attached note summarises the results.'

160. A comparison between this submission and the draft circulated by Mr Lowson on 1 August 1991, reveals the following differences:

- the second sentence in paragraph 2 was changed from 'It was however widely believed that if BSE were to be transmissible from dam to offspring it would be necessary to slaughter all offspring of BSE cattle in order to achieve eradication of the disease.' to read 'There seemed to be an implicit assumption that if BSE were to be transmissible from dam to offspring it would be necessary to slaughter all offspring of BSE cattle in order to achieve eradication of the disease';

- the following words in brackets were added in the fourth sentence of paragraph 2:'although if such transmission did occur widely the slaughter of such offspring would obviously accelerate the disappearance of the disease';

- paragraph 3 was amended to record that there were two cases of maternal transmission instead of one;

- the following words were added to the end of paragraph 3 'retrospective information could not be fed into the system.';

- paragraph 4(i) was changed from 'a fully automated system of cattle records is technically feasible – indeed several European countries are already embarked on schemes like the one advocated by the Select Committee' to 'a fully automated system of cattle records is technically feasible – indeed several European countries (including Northern Ireland) are already embarked on such systems although not all record offspring information';

- the word 'might' in the second sentence of paragraph 4(ii) was changed to 'would';

- the words 'although only a limited analysis had been undertaken of costs..' were added to the beginning of paragraph 4(iii); and,

[127] YB 91/10.11/1.1-1.7

- the words 'In the Single Market context this is the only sensible approach.' were added after the first sentence of paragraph 4(v).

161. A draft letter to Mr Wiggin, the Chairman of the Agriculture Select Committee, was attached to the submission. The draft letter included the following:

> 'If it could be shown that computerised record keeping would be a cost effective help to us in dealing with the disease then I would want to pursue it. But this is not the case. Records are of course important in the control of animal disease in general, and we will continue to study possible changes in our record keeping arrangements in the context of developing Community requirements, and the feasibility study was helpful in developing our ideas. We have made changes to our existing rules to cater for the problem of BSE. But I have to conclude that at this stage there are no grounds for pursuing the kind of system that your Report advocated in the context of our national measures for dealing with BSE.'

162. In a statement to the Inquiry, Mr Lowson said[128]:

> 'Additional factors that had to be taken into account in responding to the House of Commons Committee's report were:
>
> - the growing epidemiological evidence as time went by that, if maternal transmission occurred, it did not do so at a level that would greatly affect the pattern of the disease;
>
> - the impossibility of recording past data on any computerised system, which would reduce any benefit that it might have; In Mr Meldrum's written evidence (**WS184a**, para M20) he confirms the view expressed to me in August 1989 that:
>
> 'a computerised system…..would not show an appreciable number of cattle movements for approximately five to ten years because retrospective information could not be computerised'.
>
> The point was recognised by the March 1995 Report of the House of Commons Agriculture Committee **(M11A Tab1)** which noted at paragraph 56 that:
>
> 'For diseases with very long incubation periods, such as Bovine Spongiform Encephalopathy, MAFF argued that there would also be little or no benefit in the short-term of a central database. As MAFF pointed out, it would not contain the necessary historical data. For a system to be of value in combating an infection of this type it would need to have been in operation for a number of years prior to the problem occurring. With cases of Bovine Spongiform Encephalopathy in decline, and no conclusive evidence of horizontal transmission for the disease or of vertical transmission from dam to calf, it seems unlikely that a database would be a worthwhile investment on the grounds of Bovine Spongiform Encephalopathy.'

[128] S Lowson 3 (WS104B), para 31

- at least a question mark, in the light of SEAC's advice about breeding from the offspring of infected cattle, against whether the presence of maternal transmission on a large scale would justify the identification and slaughter of offspring.

These recommendations were endorsed by SEAC: see **YB90/5.17/11.1-11.3 at 11.3 and YB90/7.12/11.1-11.12 at 11.9).**'

163. In the same statement Mr Lowson said[129]:

'The matters in paragraph 6.4 and paragraphs 8.1 and 8.2 of the Interim Report of the Feasibility Study **(M11C Tab 10)** do not, contrary to the Inquiry's suggestion to me, favour the views of the Agriculture Committee. Rather, they relate to the wider issues covered by the Feasibility Study, not simply to the value of a computerised system in the handling of BSE. My judgement was that the issues were sufficiently clear-cut for Ministers not to need to see a copy of the Interim Report of the Feasibility Study. This judgement was not disputed by senior officers who saw the submission in both its draft and final forms at the time, who included the Permanent Secretary, the Deputy Secretaries supervising both veterinary and IT operations, and the CVO.

Even if Ministers had been shown the Interim Report **(M11C Tab 10)** at that time, it is unlikely that it would have made any difference to any policy decision that they might have taken, as it simply recommended that a further stage of the study should be undertaken (see para 8.2 of the Final Report **M11 Tab 13**).'

164. In oral evidence to the Inquiry, Mr Haddon was asked if he knew what happened in relation to the suggestions made in the Final report at paragraphs 8.2. He replied:

'I believe there was a submission to Ministers which recommended that on balance there was not likely to be sufficient advantage in this to warrant the likely costs, and therefore it was not recommended to proceed further, I think.'[130]

165. In a statement to the Inquiry, Mr Meldrum said:

'The conclusion of the paper was that there appeared to be no case for accepting the Agriculture Committee's recommendation. I recollect that I had a meeting with the study team during the period of their study and attempted to provide specific examples as to how a tracking system could be of value in the control and eradication of animal disease. It was clear, even at that stage, that the benefits of such a system would be difficult to justify in pure animal health terms.[131]

166. Sir Derek Andrews said in a statement to the Inquiry:

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[129] S Lowson 3 (ws104B), para 35 & 36

[130] T45, page 121

[131] S Meldrum 2 (WS184A), para. M19

'I saw the submission that went to the Minister of 11th October, 1991 on the conclusions of the feasibility study of into establishing a computerised cattle database. The submission summarised the key findings of the study and concluded that no case had been made for accepting the Select Committee's recommendation which, the study concluded, had been initially based on a wrong premise that the wholesale slaughter of calves might be necessary to control BSE. A computerised system to replace the existing manual record keeping, while technically feasible, would be expensive and perhaps not cost effective even if applications other than the control of BSE were considered. It was suggested that the IT investment could well pay higher dividends if applied to other aspects of disease control. It was also suggested that decisions should await the outcome of consideration by the EC of the compatibility of national arrangements. As far as I recall, I agreed with the conclusions of this submission.'[132]

167. In a statement to the Inquiry, Sir Derek Andrews said[133]:

'250.…..

The opening words of paragraph 4 are:

'The key findings of the study as regards the Select Committee proposal were …'. **[YB91/10.11/1.1-1.7 at 1.3]**

251. As these words and the accompanying minute explained **[YB91/10.11/1.1-1.7 at 1.1]**, the submission reported only the key findings of the feasibility study which related to the Select Committee proposal. Paragraph 4 of the submission summarised those findings of the Feasibility Study which were relevant to the Select Committee proposal….'

168. In the same statement, Sir Derek Andrews said [134]:

'252. The conclusion was that there was no case for accepting the Select Committee's recommendation for a computerised cattle database **[YB91/10.11/1.1-1.7 at 1.4-1.5]**. In accepting this conclusion I would have taken into account:

i) the advice from SEAC and others that, if maternal transmission did occur, it would not be necessary or advisable to slaughter all the offspring of BSE affected cattle. This was contrary to what the Select Committee appeared to have assumed. In addition, the AHVG had advised that a cattle database would not significantly improve MAFF's ability to control BSE. I was aware of the computerised database that had already existed since August 1987 to record confirmed cases of BSE and their offspring;

ii) the fact that there was no evidence to suggest any significant vertical or horizontal transmission of BSE;

[132] S Andrews 1 (WS281), para. 141

[133] S Andrews 2 (WS281A), para 250 &251

[134] S Andrews (WS281A), para 252

iii) the fact that, even if a system was set up, it would be several years before it would be of use, by which time, in the light of the trend in the number of cases, its usefulness would be diminished. I note, although it seems that I did not receive the document at the time, the CVO advised Mr Lowson on 2nd August, 1991 that:

'to set up the system would take many years and would not show an appreciable number of cattle movements for say 5 to 10 years because retrospective information could not be computerised' **[YB91/8.2/5.1]**.

The submission of October 1991 reflected this advice at paragraph 3 **[YB91/10.11/1.1-1.7 at 1.3-1.4]**;

iv) that the Departmental Expenditure Plans **[M17 tab 7]** included expected costs of the control programme for BSE in 1991/92 of £23 million, an increase of £19 million over the previous year. In addition, there were the increasing manpower and research costs associated with BSE. The Treasury would not have agreed to additional financial provision for a cattle database, unless a convincing case could have been put to them. I did not consider that it was possible to make such a case. Nor was MAFF justified in giving this higher priority than other public expenditure programmes;

v) that decisions and commitment of expenditure and staff resources on new IT investments for disease control should be considered when the requirements of the European Community were clearer. As paragraph 4(v) of the submission stated:

'any UK system would need to be compatible with [the EC system], and therefore to avoid becoming too far developed before decisions had been taken at Community level'. **[YB91/10.11/1.1-1.7 at 1.4]**

I note that the study stated at paragraph 5.1.1:

'the measures the Commission will adopt for applying this Directive currently under consideration'; **[M11 tab 13 page 9]**

vi) that the benefits of computerisation would depend on the co-operation and participation of farmers and others in the livestock sector. Mr Lowson's submission referred to this at paragraph 4(iv) **[YB91/10.11/1.1-1.7 at 1.4]**. In his letter to the President of the NFU of 24th September, 1990 the Minister had referred to this issue in the context of the new record keeping arrangements imposed on farmers. He said:

'inevitably [the arrangements] value will depend on how diligent individual farmers are in maintaining them'. **[YB90/9.24/22.1]**

169. On 21 October 1991, Mr Matthews minuted Mr Selwood concerning Mr Lowson's minute. The minute was copied to Mr Sheldon and Mr Townsend. The minute included the following:

'We commented at the time suggesting that AHVG broaden their briefing and draft reply, to at least expose slightly the fact that not everything in the garden was lovely with regard to the present systems. I now attach Robert Lowson's minute of 11 October with the actual briefing and draft letter.

You will see that, although he has made one or two cosmetic changes in our direction, the papers remain very much as originally drafted. I think we now need to follow this up with AHVG in order that we can firm up on our business plans and their budgetary implications. I think in practice, if the Minister accepts the briefing, then the Animal Tracking work stays on the back-burner, though the recent minute from Lowson (17 September) which put animal identification more squarely in the livestock subsidies as well as the disease control sphere, has to be considered.'[135]

170. On 23 October 1991 Mr Rossington (PS/Mr Gummer) replied to Mr Lowson by manuscript note on Mr Lowson's minute of 11 October 1991. Mr Rossington's note read: 'Thank you: The Minister decided not to write to Mr Wiggen.'[136]

171. On 30 October 1991 Mr J Moffitt (NADC) chaired a meeting on animal identification between Mr Gregg, Mr M Dawson (AH(DC)A), Mr R Cowan (Beef Division, MAFF), Mr N Cleary (Beef Division, MAFF), Mr P Phillips (Veterinary Inspectorate) and livestock industry representatives from the NCBA, MLC, NFU, MMB and HFS. Mr J Sumner (ADAS) also attended the meeting. The NFU report of the meeting included the following[137]:

'Introduction

1. The Chairman introduced the meeting outlining the need for an improved animal identification system to operate in the UK that would avoid the duplication that currently exists in the MAFF system, the impetus for this stems from the industry, MAFF and the European Commission.

MAFF Objectives for Adequate Identification: Animal Health

2. As far as animal health is concerned, MAFF's obligations relate solely to providing and securing a high health status for both animals and humans, and to provide a back-up system for animal health legislation that is introduced.

3. The system in place has been reasonably successful in combating a variety of bovine diseases, but following the Agriculture Select Committee on BSE, MAFF identified flaws within the system.

4. MAFF however, do not need a 100% accurate system, but require something more efficient now, to eliminate the main inefficiency of duplication.

5. In addition to the domestic requirements, there is now a European dimension, as outlined within the Commission's draft proposals for

[135] YB 91/10.21/1.1-1.2

[136] YB 91/10.23/3.1

[137] YB91/10.31/1.1-1.4

the identification and registration of animals, which links an animal to its holding of origin and monitors all the movements of that animal.

…

EC Draft Proposals on Animal Identification and Registration

9. Under the current GB legal framework, there is no requirement to register a holding where livestock are held. There is a legal requirement to tag the animals and hold movement records of those animals. The Commission however, believe that this system is insufficient, and hence the clause within the proposals for registration of holdings.

10. The proposals state that the Member State must establish a list of registered holdings upon which cattle are uniquely identified within 14 days of birth and are accompanied by a movement document which must be held for 12 months by the receiver of that animal. This means that an owner or holder of livestock will have an inventory of all stock born and moved via that holding. However, there is no requirement for the inventory to be submitted to a central authority.

11. The proposals do not stipulate the type of tag, but do stipulate that the code should be alphanumeric and should include the holding number of origin, plus the country code.

12. It is likely however, that the Commission will adopt detailed implementing rules ie. the nature of the tag, where the data should be stored etc.

13. The draft proposal is currently with the Commission's legal services. The next stage will be the establishment of a Council Working Group to decide on the final draft. MAFF consider the current draft will be little changed. Since the Dutch Presidency are particularly keen to pursue this, the draft is likely to be finalised by the end of the year.

Industry Objectives for Adequate Identification

14. The industry is extremely concerned that the current system is inadequate on traceability grounds. The administration and implementation procedure for an identification scheme will have to be revised.

…

MAFF Integration with the NADC for Animal Identification

21. MAFF pointed out that the minimum requirements under the proposed legislation and a 100% efficient identification scheme are not synonymous. The imposition of individual identification and movement records will need basic statutory legislation. However, this legislation should not impose burdensome requirement on producers which is not legally required.

22. MAFF would however welcome the establishment of a NADC, so long as MAFF retained legal control over the issue of numbers without incurring extra cost to the Treasury.

23. If the industry sees additional benefits from a more comprehensive identification scheme, then it will be up to the industry to invest in this scheme. Effectively, MAFF stated that funds may be available for the establishment of a revised identification scheme, but only to the extent that the scheme satisfies the minimum legal requirements as stipulated by the European Commission. MAFF are not in a position to extend the legal umbrella to cover the requirements of cattle breeders to incorporate genetic traceability etc.

Conclusion

24. Since the meeting was unable to come to a decision over how the industry would like to see the establishment of a data system, it was agreed that each representative would forward their opinions to MAFF within two weeks of the meeting date. MAFF would then collate the views and call a meeting with the organisations to finalise the industry view before advancing discussions with the Commission over the draft proposals on animal registration and identification.'

172. On 11 November 1991 Mr Sumner wrote to Mr Gregg about the meeting on animal identification on 30 October 1991[138]. His letter read as follows:

'NATIONAL ANIMAL DATA CENTRE

When we met in Whitehall place some days ago to discuss animal identification it became clear that a gap had developed between MAFF's requirements for animal health and the needs identified by John Moffitt to bring about an improvement in the livestock industry. Those present also learned from you of a draft EC regulation which would seek the minimum requirement in terms of animal health identification. In light of all this I want to express to you an ADAS view.

As you know ADAS has no vested interest in the subject. We do however have a deep interest in the livestock industry and we recognise that at present the cattle breeding industry does not enjoy the best of health. We are therefore giving strong support to the implementing of the proposals of the Wilson Committee and the work John Moffit [sic] has taken on. It was with a measure of disappointment I realised at the Whitehall meeting that the opportunity to blend MAFF's need with a future NADC was fading.

Knowing that a number of EC member states were developing computer based systems I was surprised that the EC draft Regulation proposes such a basic systems. As I understand the position the Regulation is at an early drafting stage. Have all Member States made responses yet? It is likely that some will urge a more developed system? Is there a possibility that MAFF will seek more than is currently proposed?

[138] YB91/11.11/3.1-3.2

Leaving the Regulation to one side opportunity to merge MAFF's needs with those of the wider livestock industry remains worthy of discussion. In our view, establishment of an NADC offers a one-off change to improve the livestock industry and allow it to compete more equitably and favourably with many of our world-wide, including EC, competitors. Whilst many farmers do not concern themselves with much beyond the short term, leaders of the industry and others with vision, recognise that an NADC would have enormous long term benefits.

You may remember that in the ADAS submission to the Wilson Committee we argued that any centrally organised data centre could act for MAFF (as a contractor) in managing a cattle identification scheme for animal health purposes. That data would be the core of a larger data handling process. MAFF 'would pay' NADC for animal health work and the industry would pay for other services provided, milk recording, pedigree work and so on. Fundamental to that proposal is a unique identification system for the UK.

We still hold the above view. It seems an excellent opportunity for MAFF and industry to work together to the benefit of farmers and consumers.

It is clear there are some difficulties over types of numbering systems, the needs of veterinary inspectors, slaughter houses and so on, but these are relatively short term problems. For the long term good I do hope that discussions can continue in a positive manner.

No doubt you will discuss these few comments with your colleagues and I would be pleased to discuss further if it would be helpful.'

173. On 11 November 1991, Mr Curry answered a written Parliamentary Question on cattle tracking and the possibility of adopting a system of cattle passports:[139]

'I understand that a 'passport' system for cattle is operated in a number of member states of the European Community. Proposals for a common system of livestock identification are expected to be put forward by the European Commission to the Council of Agriculture Ministers. I have no plans to introduce changes to the system of cattle identification in the United Kingdom in advance of agreement on those proposals.'

174. On 21 November 1991, Mr Sheldon minuted Mr Lowson concerning the Animal Tracking Project .[140] His minute read as follows:

'ANIMAL TRACKING PROJECT

1. Further to our telephone conversation I am writing to confirm the arrangements for Tony Matthews and I to meet you on Friday 6 December in your office at, say 10am..Our purpose for the meeting is;

[139] YB91/11.11/1.1

[140] YB 91/11.21/3.1

(a) to determine the status of the project in order to come to decisions about resources in our plans currently earmarked for it;

(b) to agree the final version of the Feasibility Study report and its publication and circulation etc.'

175. On 6 December 1991, Mr Matthews minuted Mr Lowson.[141] His minute read as follows:

' ANIMAL TRACKING & RELATED SYSTEMS

1. Thank you for the meeting of 6 December at Tolworth.

2. With regard to the Feasibility Study report on Animal Tracking, we agreed that work on this should now be considered complete and the report can now be circulated. Geoff Sheldon will provide sufficient copies for your ITMG members for their meeting of 16 December.

3. Follow-on work in this area will await Martin Dawson's report on the latest EC Directive on Animal Identification, which focuses not just on disease control but also on the control of new livestock subsidies. It seems clear that these latest proposals are likely to require IT support and ITD will participate in the follow-on discussion on receipt of AHVG's critique covering the recommended approach and impact on MAFF of the Council Directive.

4. At the meeting I raised the issue of how AHVG intended to respond to the findings of the Animal Tracking Feasibility Study which indicated that existing manual animal tracking systems are fairly limited in scope. As you know ITD considers that AHVG will find its existing systems quite inadequate if emergencies arose which required substantial increases in the current annual rates of animal tracking (estimated at about 3,000 per annum). Our view is that some interim facilities (in advance of the sorts of systems that might be necessary to support the requirements ~~if~~ of the EC Directive) should be put in place quickly, in very much the same way as interim systems have been put in place for EFPD in advance of their full Food Vulnerability Model. When we discussed this at the meeting you noted our advice, but considered that even such an interim approach would have to await the outcome of current EC work targeted at identifying a comprehensive framework for disease control. You said that harmonised procedures were just being implemented for FMD[142] (as the first 'exotic disease') which might then provide a framework for any interim IT work. On that basis I am not building any work on interim facilities into ITD's business plans at this stage, and will await further contact from you on this matter. I want to take this opportunity however to echo the concern expressed in the Feasibility Study about the possible adverse consequences of having to depend on the existing manual system if emergencies involving increased numbers of trackings arise.

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[141] YB 91/12.6/2.1-2.2

[142] foot and mouth disease

5. I look forward to receiving the paper covering the EC Directive.'

176. On 9 December 1991, Mr Gregg wrote to Mr Widden. He stated that:[143]

> 'At a meeting with ITD on 6 December in Mr Lowson's room, it was agreed that further action should await a clearer idea of the EC requirement. We should ensure that the registration/identification document goes to Messrs Matthews and Sheldon and that they are invited to the meeting.'

177. On 11 December 1991 Mr Gregg wrote to Mr Matthews.[144] He stated that:

> 'Robert Lowson has asked that you see the first draft of our Animal ID paper in advance of the ITMG meeting. The draft...does serve to indicate the scale and nature of some of the problems we are likely to face. You will be included in the distribution list when the next version emerges and we hope you'll be able to attend the meetings which will follow.'

178. On 16 December 1991 an Information Technology Management Group ('ITMG') meeting was held.[145] The meeting was chaired by Mr Haddon and attended by Mr Taylor, Mr Baker, Mrs Brown, Mr Bell, Mr Edwards, Mr Lowson, Mr Perrins, Mr Landeg (DRVO Reading) Mr Pritchard, Mr Gregg, Mr Fleetwood (representing Dr Cawthorne), Mr Sheldon, Mr Long and Mr Banner. The minute included the following:

> 'On Animal Tracking, Mr Long reported that it had been agreed between ITD and AH(DC) Division that a 'line' should be drawn under the work done so far (Feasibility Study). An EC proposal on Animal Identification was awaited before this proposal could be taken further.'

179. On 23 December 1991, Mr Sheldon minuted Mr Lowson, Mr Haddon and others (copied to Mr Selwood and Mr Matthews, amongst others). He attached a copy of the Final report. He stated:

> 'The Minister subsequently accepted AH(DC) Division's recommendation not to proceed with the development of a computerised system. At a meeting with AH(DC) Division earlier this month it was agreed to draw a line under this study but for any follow-on work to await AH(DC)'s report on the latest EC Directive on Animal Identification. The report is therefore being circulated for information. AH(DC) will keep under review the need for follow-on work by ITD including any requirements for interim facilities as discussed in the report.'[146]

180. On 10 January 1992 Mr Lowson minuted Miss Gartland (PS/Mr Curry) enclosing a draft speech and speaking note for use by Mr Curry at the

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[143] YB91/12.09/4.1

[144] YB91/12.11/7.1

[145] YB92/02.00/5.1-5.7

[146] YB 91/12.23/1.1

British Cattle Breeders International Conference on 14 January 1992[147]. Mr Lowson's minute included the following:

> '4. I recommend that Mr Curry should use his address to put the possibility of Government help into its proper perspective. I attach a draft contribution for this purpose, which if Mr Curry agreed could be used as a Press Release (not a particularly interesting one for the general reader, but of intense interest to those involved with the subject). Advocates of the NADC have also been arguing that in negotiation about the Community identification system, we should seek arrangements that in effect require the use of complicated computerised support no doubt because they believe that we could then turn to the NADC to provide it.'

181. The draft speech[148] attached to the minute included the following:

> '…
>
> The Government withdrew some years ago from any attempt to tell farmers from which animals to breed. Farmers, collectively and as individuals, are in the best position to say what tomorrow's market will demand and therefore what form today's breeding programme should take. The impetus behind the move to establish a National Animal Data Centre came from the cattle industry. I applaud this initiative and all the hard work that went into producing the Wilson Report.
>
> As I understand it, the intention of the database is to enable you to assess the merit of breeding stock, take decisions, and measure the result in terms of improvement in performance. This is a sound commercial approach, but is viability rests entirely upon its commercial attractiveness. It will need, like any other business proposition, to stand or fall on its ability to attract investment from those who stand to benefit from it.
>
> A key aspect of the Data Centre proposal is the need for an effective system of cattle identification. My officials have been discussing with industry bodies a proposal likely to emerge soon from the European Commission about a Community-wide animal identification system. Obviously it is in everyone's interest that there should be consistency between this and the requirements of an industry database. But it is also important that burdens on the farmer and the taxpayer should be minimised.
>
> We aim as far as possible to build upon our existing tried and tested system, and to avoid the need for expensive computerised support, it would not be wise to assume that the Government would be a major customer for the Data Centre's services – which only serves to re-emphasise the importance of demonstrating to potential commercial investors and customers the benefits that it will bring them.'

182. The speaking note[149] attached to the minute included the following:

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[147] YB92/1.10/3.1-3.5

[148] YB92/1.10/3.2-3.3

[149] YB92/1.10/3.4-3.5

'3. Attempts have been made to convince us that a computer system would provide substantial benefits for animal and therefore public health. We have carried out a feasibility study, using external consultants, which has shown this not to be so. At best a small scale computer system might support mechanisms for controlling the issue of herd numbers and identity tags. If the Data Centre could do this more cheaply than an in-house service then this could be contracted out to them. But the industry needs to be clear that we are not prepared to subsidise the purely commercial genetic improvement objectives. Both the industry and ourselves have an interest in ensuring that cattle are identified and we have had many discussions with Mr Moffitt and others to this end. As matters stand we must await the outcome of the discussions in Brussels on the subject before any updated or revised identification system can be implemented . There is, however, no reason to agree to further discussions.'

183. On 14 January 1992 Mr Rossington (PS/Mr Gummer) replied to Mr Hawker's (MMB) letter of 16 December 1991 to Mr Gummer about a national animal database[150]. Mr Rossington's letter included the following:

'…

There have been a number of meetings with the cattle industry to discuss the future of identification on the light of the Wilson Report and in the contest of proposed Community legislation, I believe that all are agreed that there should be a unique, visible and lifelong identity mark for cattle based on double tags or a tattoo. This is also the basis of the Commission's approach. It is not yet clear what form the code will take, and this will have to be agreed at Community level, but birth and movement records will need to be associated with the official identity code, as is the case now.

A feasibility study has been carried out to assess the extent to which a computerised data base could support the control of animal diseases. It has been concluded from the research carried out by external consultants that there is no cost benefit for animal health in moving away from the present on-farm movement records which continue to serve us well. Nevertheless, there have been discussions with Mr Moffitt, the Chairman of the proposed National Animal Data Centre, and others but the future has to be seen in terms of the industry's wish for a system to support genetic improvement, this area is not subject to regulation and there are no plans to change this as the industry continues to be best placed to decide what the market will want in the future. This being so, Government help is likely to be limited to creating a common coding system for identifying animals and will not extend to financing what must be a commercially viable genetic database.'

184. On 22 January 1992 Mr Curry and Mr Gregg met Mr Moffitt of NADC. Miss Gartland's (PS/Mr Curry) minute of 29 January 1992 to Mr Tanner about the meeting included the following[151]:

'Mr Moffitt said the MMB intended to fund the statutory elements of the work until 1995, but he was concerned as to what would become of the

[150] YB92/1.14/1.1-1.2

[151] YB92/1.29/1.1-1.2

funding if the MMB disappeared. He said he would like producers to fund the work on a statutory basis even if the MMB did not exist. He said that the national data centres in the Netherlands and Denmark attract Government funding, while in the USA and Canada they receive funds from Universities and the Government. Mr Moffitt said he was asking the UK Government for some pump-priming funding and to ensure that funds would be provided by other organisations. He said he would also like to see some other form of Government commitment to the data centre, e.g. by sub-contracting animal health work (as happens in the Netherlands). (Mr Gregg pointed out that, because of the statutory obligation on farmers, such work costs MAFF very little.)

The Parliamentary Secretary said he found the ideas interesting, and that he appreciated the benefits to the industry. He said it would be difficult for the Government to provide funding, but he was open to suggestions on other means of support. The Parliamentary Secretary said he would like to take away the ideas presented and discuss them within the Department to see if there were other ways in which we could help and that he would write to Mr Moffitt. (ACTION: Mr Gregg to advise Mr Maclean and provide a draft reply.)'

185. On 13 February 1992 Mr Lowson minuted Miss K Britton enclosing a briefing for the Minister for his meeting with the NFU on 18 February 1992. The minute[152] included the following:

'ANIMAL IDENTIFICATION AND THE ANIMAL DATACENTRE

Background

1. For many years cattle (and deer, since 1989) have been required to be identified to facilitate disease control. Identification consists of uniquely numbered ear tags supplemented by on farm written records. Record keeping requirements were tightened in 1990 in the light of the BSE epidemic, to require farmers to record the parentage of their cattle and to maintain records for ten years.

2. This system has shown itself to be adequate for disease control purposes. But recent developments have focused attention on the topic:

- The House of Commons Agriculture Committee's report on BSE included the recommendation that a computerised animal identification and tracking system be set up. A feasibility study led to the clear conclusion that such a system would not be cost effective.

- The Wilson Committee, commissioned by industry organisations to advise on ways of improving the genetic importance of British cattle, recommend the creation of a national cattle data centre (NADC) to maintain comprehensive computerised cattle records. Mr John Moffitt has been designated as the Chairman of the NADC. He and industry bodies are seeking Government financial support, either in the form of a contribution towards the cost of setting up the venture or

[152] YB92/2.13/3.1-3.4

through fees for carrying out agency work in implementing national or Community animal identification requirements. Mr Curry met Mr Moffitt on 22 January and made it clear that the likelihood of Government funding was remote and that the venture would stand or fall on the basis of its commercial appeal.

- The European Commission has for some time been preparing a proposal for a harmonised animal identification system covering cattle, sheep, goats, pigs and deer. The Commission has yet to publish a formal proposal but it is intended to perform the double function of enabling animal tracings throughout the single market and acting as an anti-fraud measure under the new livestock regimes contained in the MacSharry CAP reform proposals. The proposal is similar to the system which the UK already operates for cattle and deer, but would impose new requirements in relation to other species.

…

Line to Take

- A feasibility study carried out by an external consultant has shown that a computerised animal identification system would not provide substantial benefits for animal and public health.

- The present system is adequate for disease control purposes and does not require a fundamental overhaul although we recognise that there is scope for tightening up and improving compliance.

- We are still awaiting the Commission's final proposals on this subject. We will be aiming to ensure that new Community requirements minimise the burden on farmers and taxpayers.

- The success of the National Animal Data Centre will depend upon its commercial appeal to farmers. There is no reason for the Government to be financially involved in the area of genetic improvement – it decided years ago that this is an area best left to individual farmers business decisions. And while it is not clear precisely how future Community requirements will work, there is no sign at the moment that there will be a scope for the Government to place a large volume of work with the NADC

- We share with the NADC and the European Commission a desire for a uniform identification system and will keep in close touch with industry bodies on this topic as the Community approach develops.'

186. On 20 February 1992 Mr Maclean wrote to Mr Moffitt (NADC) following Mr Moffitt's meeting with Mr Curry on 22 January 1992. Mr Maclean's letter included the following[153]:

'…

[153] YB92/2.20/2.1-2.2

You make a good case for the Data Centre and I hope it is a success, but your enterprise will have to rely on its commercial attractiveness to the industry. As David Curry explained at your meeting on 22 January, you must not base your plans on any expectation of Government financial or legislative backing. There is no statutory basis for such a levy and we would need evidence of a strong demand for one from all sides of the industry before we could even consider the idea. But I would repeat the offer of any other form of help that you might identify as in, for example, David's address to the cattle Breeders Club. We would be only too pleased to sound the right notes at any future occasions where it would be appropriate.

There is clearly a shared need between our legislative requirements and those of the Data Centre for a cattle identification system. I can see the sense in a single system which meets our joint requirements. A great deal of progress has been made in your discussions with officials but, as I am sure they will have explained to you, we are waiting for a proposal from the European Commission and future identification methods will be based on a Community-wide system. Our scope for flexibility is going to be more limited than under national rules.

At this stage we do not know what the nature and scale of the Community registration and identification requirements will be. I note what you say about the Data Centre being ideally placed for this task and we will certainly bear this possibility in mind. There is nothing in principle against contracting out this work if it could be shown to be cost effective, but I cannot say how much this would be worth in business terms. Matters should become clearer as the year progresses.'

187. On 3 April 1992 Mr M Dawson minuted Ms L Stables providing information on animal identification[154]. His minute read as follows:

'ANIMAL IDENTIFICATION

1. UK law requires cattle and farm deer to be identified to facilitate disease control. Identification consists of uniquely numbered ear tags supplemented by farmers' written records. Record keeping requirements were tightened up in 1990 in response to the BSE epidemic and the system is adequate for disease control purposes. Recent developments have focused attention on the topic.

2. Firstly the House of Commons Agriculture Committee recommended that a full blown computerised identification and movement recording system be set up in response to BSE. However an independent feasibility study showed that this would not be cost effective.

3. Secondly the Wilson Committee, formed by the Industry to find ways of improving the genetic importance of British Cattle, recommend the creation of a national animal data centre (NADC) to maintain comprehensive computerised records on the national herd. Mr John Moffitt, the designated chairman of the NADC, is seeking government financial support. The NADC is likely to be very expensive and while the

[154] YB92/4.3/2.1

commercial benefits may be considerable it is unlikely to be of use to government. However we have not ruled out the possibility of contracting out certain functions if it is proved to be cost effective.

4. Thirdly the European Commission is sitting on a draft proposal (VI/3002/91) for a harmonised animal identification system covering cattle, sheep, goats, pigs and deer. It is intended to act both as an instrument for animal tracking throughout the single market and for anti-fraud purposes in the context of the MacSharry CAP reform proposals. Thus it is a key element in the Vet Checks Directive 90/425 and the Commission proposal for an integrated administration and control system COM(91) 533. We are still waiting for the Commission to formalise the proposal but we do not expect to have to fundamentally change our present system, although some improvements will be necessary. AHVG has already made a bid for £50,000 capital costs and £50,000 consultancy costs to provide for the setting up of a computer system to prevent the manufacture of duplicate ear tags.'

188. On 7 April 1992, there was a further meeting of the ITMG.[155] It was chaired by Mr Haddon, and attended by Mr Lowson, Dr Cawthorne and Mr Sheldon, among others. The minutes of the meeting included the following:

'7.2...there was a consensus view that disease control systems - which supported core AHVG business activities - merited higher priority than had been perceived. The Group accepted the tight financial situation in 1992/93 and 1993/94. But nevertheless, stressed the need for the development of the following systems to be brought forward where and if at all possible:

Animal Tracking

Disease Outbreak

Incident Monitoring and Control

Status Monitoring…'

189. On 5 August 1992, Mr Lowson wrote to Mr Landeg on potential developmental work on the VETNET system.[156] Mr Lowson made the following points:

'- once we know what the Community requirements will be as regards animal identification, I would regard their implementation (which hopefully can make use of VETNET) as a high priority.'

190. On 13 November 1992 a further ITMG meeting was.[157] Under the heading 'Animal Identification/Tracing', the minutes of the meeting stated:

[155] YB92/04.00/2.1-2.6

[156] YB92/08.05/4.1

[157] YB93/03.00/2.1-2.6

> 'The meeting felt that this project merited a priority 1 rather than a priority 2 rating. Mr Banner was asked to explore with Mr Gregg the estimated costs associated with the project and the possible use of VETNET to meet some or all of the project's requirements.'

191. On 30 June 1994, the Agriculture Select Committee announced that it would be undertaking an inquiry into the identification of farm livestock.[158] The terms of reference were stated to include:

> 'the desirability and practicality of identifying and registering individual animals and establishing a centralised national database;
>
> the information to be included on any central database and its potential uses….;'

192. On 7 October 1994 Ms Evans (the Parliamentary Clerk) submitted to Mr Nick Walker (the Clerk to the Committee, Agriculture Select Committee) a written memorandum of evidence prepared by the Agriculture Departments for the Committee's use in connection with the Inquiry.[159] Under a section entitled 'National database', the memorandum included the following:

> '19. The Agriculture Select Committee's report on their inquiry into BSE, published in 1990, recommended that a national animal database might help in BSE tracing. This proposition was examined by MAFF's Information Technology Directorate, which concluded in October 1995 (sic) that although a database was technically feasible it would be very expensive to set up and run. Ministers decided not to take the matter further at that stage because of the cost, the extra burden it would place on farmers, the uncertainty about Community decisions on identification and because a national database would be of limited use for dealing with BSE...A copy of the feasibility report by the MAFF IT Directorate was sent to the Committee on 15 June 1994'

193. The paper set out the possible uses of a database, which might include disease tracing, genetic information, ear tag control, subsidy checking, export certification and import checks. The drawbacks of a national database were stated to include:

> 'the cost of setting it up and maintaining it. Developing and running the database to record all births, deaths and movements was estimated in 1991 to cost up to £14m and £6m a year respectively at 1991 prices. No estimate was made of the increased administrative overheads, which would be significant. It would also pose a heavy burden on industry in order to keep the database up to date.
>
> As with all databases, a national animal database would only be as good as the data it held. There are some 10 million cattle in GB and more than 5.5 million cattle movements each year. Approximately 3 million of these

[158] YB94/06.30/32.1

[159] M11 E , Tab 4

movements are via markets. One of the problems with the current system, which requires farmers to keep breeding and movement records on farm, is that these are not always kept accurately or up to date. An out of date or inaccurate database could not be relied upon in a serious outbreak and cannot therefore deliver the main benefits foreseen for such a system.

It has been suggested that one way to ensure that a national database is kept as up to date as possible would be to use the automatic transfer of electronic data from markets and slaughterhouses combined with the electronic identification of the cattle so that the data could be automatically recorded at the market or slaughterhouse and downloaded each night to the national database. Attractive thought this is it has to be borne in mind that births, farm to farm movements and deaths on farm would still have to be reported by the farmer and unless this can be guaranteed the database would still not be sufficiently robust to enable it to be relied upon for all purposes.'

194. On 22 March 1995 the Agriculture Select Committee published a report entitled 'Identification and Registration of Farm Livestock'. Paragraphs 56 to 61 of the report read as follows:[160]

'56. For disease with very long incubation periods, such as Bovine Spongiform Encephalopathy, MAFF argued that there would also be little or no benefit in the short-term of a central database. As MAFF pointed out, it would not contain the necessary historical data. For a system to be of value in combating and infection of this type it would need to have been in operation for a number of years prior to the problem occurring. With cases of Bovine Spongiform Encephalopathy in decline, and no conclusive evidence of horizontal transmission of the disease or of vertical transmission from dam to calf, it seems unlikely that a database would be a worthwhile investment on the grounds of Bovine Spongiform Encephalopathy. Should a disease with a similar aetiology to Bovine Spongiform Encephalopathy ever occur in the national herd again, a database established now could of course be a valuable tool. It would, however, mean making a substantial investment now in order to see a return perhaps decades in the future.

57. Whilst we accept that the justification for a central database for disease purposes under current circumstances may be slim, this takes no account of disease problems that may emerge in the future. The disease tracing problems we have already studied, including those involving foot and mouth disease sero-positive cattle and Bovine Spongiform Encephalopathy, illustrate both the dynamic nature of animal disease and the unpredictability of the problems the livestock industry must face. These problems have highlighted the way in which MAFF can be taken off-guard and how the systems currently available have struggled to cope with extraordinary events. Professor Wilson also noted the problems of anticipating new diseases and cited Bovine Spongiform Encephalopathy and Aujeszky's as examples of diseases that had developed unexpectedly. 'One never knows in advance how important it will be to establish the life history of animals which may have harboured the disease in a 'silent state'

[160] M11A, Tab 1

over long periods, and one never knows in advance how important it may be to establish the familial relationship between dam and offspring, where the disease in question is passed from one generation to another'. **We believe that MAFF's ability to cope with future disease problems, should they arise, would be enhanced by the introduction of some form of central database.**

58. Other potential uses for a national database include the detection of fraud, the collection and processing of breeding and production data and the ability to trace food products back to their source of origin in order to exhibit the 'due diligence' required by the Food Safety Act 1990. MAFF is already confident that its existing databases are capable of monitoring fraud in Beef Special Premium and Suckler Cow Premium claims and that a database in the sheep sector would be of little assistance in combating what they believe to be low levels of fraud in the sheep sector. Nonetheless, as it is apparent that the EU is likely to take an increasingly tough line on fraud throughout member states and given that whilst headage payments exist there will be an incentive for fraudulent claims for subsidies to be made, it would be desirable for the UK system to be seen to be as fraud-proof as possible so that the Government can take a stand against fraud in other member states with confidence.

59. We find it disturbing that MAFF appears to have operated an ad hoc policy in respect of its own database system. There has been little evidence of a cohesive approach. As a problem has presented itself - such as Bovine Spongiform Encephalopathy or ear tag allocation - MAFF has established a new database as a one-off solution. Whilst this may have been a reasonable practice in the past, a more co-ordinated approach is now needed. **We recommend that MAFF take appropriate steps to merge all the valuable information already contained in its own existing separate cattle-related database systems into one central MAFF database.**

60. Breeding, production and other technical data already appear to be well provided for through the existing facilities of the breed societies, the ADC, NMR and the MLC. Furthermore, these systems are funded by those who voluntarily provide and wish to utilise the information these databases contain, rather than by imposing additional costs on unwilling participants as might be the case if a national database and a national data collection systems were to be introduced...

61. **It is evident that no single use to which a national database might be put would justify the high costs of its establishment, but the sum of uses, particularly as time goes by, will make the case for a national database increasingly compelling. While preparations for a national database are in train, we favour enhanced co-ordination of existing industry computer databases: the networking solution**...'

195. In October 1996, the Animal Health (Disease Control) Division completed a paper entitled 'Business Case for the Cattle Traceability System'.[161] The

[161] M11D, Tab 16

paper took as its starting point a Feasibility Study carried out by PA Consulting Group in September 1996.[162] The paper stated:

> '1. The crisis in confidence in the beef market has led to calls for the establishment of a computerised Cattle Traceability System (CTS) in Great Britain. At the Florence Summit in June 1996, the UK and other EU Member States reached agreement on the preconditions for the re-establishment of UK beef and beef product exports. One of these preconditions was that the UK should introduce 'an effective animal identification and movement recording system with official registration'.

196. Under the heading 'Should we proceed with a CTS?' the paper stated:

> '102. Those interviewed in connection with this Business Case believe unanimously that a CTS should be introduced quickly. The first major benefit would be the resumption of beef exports and the restoration of consumer confidence in the beef market. The CTS is in practice a necessary condition for these, even if this is not explicitly stated in the Florence agreement. A second benefit is fulfilment of EU requirements which are expected to be enacted into EU legislation. There are also a series of other benefits, such as improved disease control, aid to enforcement, easier production of replacement cattle passports, easier export certification etc.
>
> '103. We were able to find some clear, but limited, monetary benefits to Government from improved disease tracing and collection of Agricultural census data. However, on their own, these do not appear to be of sufficient value to justify the project. This explains why, before the difficulties over BSE this year, the CTS has not appeared an attractive proposition. What brings in the benefits is the restoration of the beef market.'

197. In a statement to the Inquiry, Mr Lowson said[163]:

> '….I note that in a document dated November 1996 that has recently been brought to my attention by the MAFF Inquiry Liaison Unit setting out the 'business case for the cattle traceability system' prepared by MAFF after the developments of 1996, it was concluded by the relevant MAFF Division that the benefits to Government flowing from a computerised tracing system did not appear to be of sufficient value to justify the project, which explained why it had not appeared an attractive proposition before the 1996 problems over BSE arose **(M11D Tab 16)**.'

198. In a statement to the Inquiry Mr Martin (DANI) said the following in reply to the question 'How important was the DANI computerised traceability [system] in controlling the BSE epidemic in Northern Ireland (as opposed to helping maintain trade with some European Member States and Third Countries)?':

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[162] M11E, Tab 5

[163] S Lowson 3 (WS104B), para 34

> 'The DANI computerised traceabilty [sic] system was not important in the application of control measures for the BSE epidemic in Northern Ireland. However it was of considerable use in untangling the epidemiology of the disease and thus perhaps indirectly it aided decisions regarding control measures. I would stress that it was of vital importance in helping to maintain trade with Member States and Third Countries.' [164]:

199. Dr McCracken's (DANI) reply to the same question included the following :[165]

> 'I do not believe that the existence of such a system was of any significance in the control and eradication of BSE'.

[164] S Martin 2 (WS278A), para 41

[165] S McCracken 2 (WS279A), para 24