

PM/SC/119

COUNCIL OF MINISTERS

(75th Meeting)

25th April 2014

(Business conducted by electronic mail)

PART A

All members were present.

Senator I.J. Gorst, Chief Minister
 Senator P.F.C. Ozouf, Minister for Treasury and Resources
 Senator A.J.H. Maclean, Minister for Economic Development
 Senator B.I. Le Marquand, Minister for Home Affairs
 Senator F. du H. Le Gresley, M.B.E., Minister for Social Security
 Senator Sir P.M. Bailhache, Minister for External Relations
 Deputy R.C. Duhamel, Minister for Planning and Environment
 Deputy A.E. Pryke, Minister for Health and Social Services
 Deputy K.C. Lewis, Minister for Transport and Technical Services
 Deputy A.K.F. Green, M.B.E, Minister for Housing
 Deputy P.J.D. Ryan, Minister for Education, Sport and Culture

In attendance -

J.D. Richardson, Chief Executive, States of Jersey
 D. Houseago, Director, Rural Economy, Economic Development
 Department
 P. Monamy, Clerk to the Council of Ministers

Note: The Minutes of this meeting comprise Part A only.

Economic
 Development
 Department:
 Central
 Contingency
 funding –
 support for
 cattle exports
 and trade in
 bovine
 embryos.
 530/6(42)

A1. The Council considered a report, dated 11th April 2014, prepared by the Director – Rural Economy, Economic Development Department regarding a request for the provision of extraordinary additional funding from Central Contingencies to support cattle exports and trade in bovine embryos requiring compliance with European Union (EU) legislation, including a testing programme for 3 notifiable diseases.

Having noted the historical position in respect of testing and surveillance of the 3 notifiable diseases (Bovine Tuberculosis, Enzootic Bovine Leucosis and Brucellosis), the Council recognised that it was considered likely that the testing programme envisaged by EU Directive 64/432 governing trade in live bovine animals and swine had not previously been required for the export of such animals to the United Kingdom, which jurisdiction had consistently recognised over many years that those diseases were not present in Jersey.

However, as the Jersey Cattle industry wished to secure international recognition of the high health status of the Island herd in order to add value to exports and to build a reputation for high health status in emerging Chinese and Far-Eastern markets, working with Guernsey a joint Channel Islands submission had been made to the EU Commission seeking official recognition of disease-free status. This had led to a view being expressed by the Commission's veterinary legal

expert that Jersey had not followed the testing regime (even though live cattle had been exported to the UK for many years accompanied by official export health certification provided by the States Veterinary Officer with no reference to the EU Directive) and that therefore official disease-free status could not be granted. This in turn had led to the UK amending import conditions requiring cattle to originate from herds tested to officially free status, which action had brought live cattle exports to an immediate halt and meant that future exports of live cattle to the UK would require the herds from which animals were to be exported to undergo testing for the 3 diseases.

It was noted that the minimum time between the first tests to attain the required status varied for the diseases with the greatest length of 6 months between tuberculin tests. The new testing programme was required to run for a minimum of 5 years and possibly indefinitely, with first-year costs estimated to be in the region of £267,000 and a total estimated cost over the 5-year programme of £542,617.

The Council noted with concern that it was considered that the new requirements which now prevented the export of live cattle, bovine embryos or semen from the Island until the testing programme had been satisfactorily undertaken could also give rise to a negative impact on dairy product exports from Jersey and the reputation of the Island's dairy industry. It was recognised that the potential annual loss to the dairy export trade as a consequence of a perceived reduction in Jersey's cattle health status was estimated at £890,000. Additionally, it was estimated that the potential financial consequences to Jersey of not complying with the EU Directive over the next 5-year period were: loss of cattle exports amounting to £870,000; and loss of bovine embryo exports amounting to £225,000.

The Council concurred with the recommendation that, on the basis of the new and unexpected requirement in relation to trade, given that current revenue budgets were committed the States Treasury considered that it was appropriate that exceptional funding should be provided from Central Contingencies in order to cover the testing programme costs for years 1 (2014 - £267,030) and 2 (2015 - £71,515). It was recognised that the costs for subsequent years would be met through the departmental Medium Term Financial Plan allocations from 2016.

Subject to there being a sufficient unallocated balance remaining in the Central Contingency to prove the required funding in 2014 and 2015, which proposal was supported by the Minister for Treasury and Resources, the Council accordingly approved the provision of the above-mentioned additional funding for the Economic Development Department.

The Treasurer of the States was directed to take the necessary action.