

Title: Live Animal Exports RPC Reference No: RPC-DEFRA-5038(1) Lead department or agency: Department for Environment, Food and Rural Affairs Other departments or agencies: N/A	Impact Assessment (IA)		
	Date: 06/07/2021		
	Stage: Final		
	Source of intervention: Domestic		
	Type of measure: Primary legislation		
Contact for enquiries: keptanimals.bill@defra.gov.uk			

Summary: Intervention and Options **RPC Opinion:** GREEN

Cost of Preferred (or more likely) Option (in 2019 prices)			
Total Net Present Social	Business Net Present Value	Net cost to business per year	Business Impact Target Status
-£7.6m	-£5.7m	£0.7m	3.3

What is the problem under consideration? Why is government action or intervention necessary?
 The then Farm Animal Welfare Committee (FAWC, now Animal Welfare Committee (AWC)) in its 2019 report highlighted that all transport movements are stressful for animals, with the length of the journey being a contributing factor. The systematic review by the University of Edinburgh and Scotland's Rural College also highlighted the link between journey duration and potential animal welfare compromises¹. During a journey normal behaviour is restricted and unavoidable vehicle motion may cause distress. From a welfare perspective the Government views export journeys for slaughter and fattening to be unnecessary or unnecessarily stressful. This is because the animals could be slaughtered and fattened in Great Britain and any such journey for slaughter or fattening would be shorter or less stressful than any equivalent journey to a third country (third country in this IA refers to anywhere outside of the British Islands²), particularly if they take place towards the end of their lives when animals are less able to withstand long journeys. The social cost of animals being transported long distances is not reflected in the price of the final good or elsewhere which is inefficient. These journeys give rise to information asymmetry³, but in the context of animal welfare it is not possible to capture the monetary value with the evidence available. There have also been calls from both the public and Parliamentarians for this practice to be addressed. The Government wants to ensure that animals are only transported when necessary, therefore, Government intervention is required to address the welfare risks associated with these journeys based on the available evidence.

What are the policy objectives of the action or intervention and the intended effects?
 To improve the welfare of animals during transport by prohibiting the export of livestock and equines for slaughter or fattening, thereby implementing the Government's 2019 manifesto commitment to end excessively long journeys of animals for slaughter and fattening. The intended outcomes are to end exports for slaughter and fattening, improving animal welfare as a consequence, and implement this in a way which does not introduce increased burden on transporters and Government.

What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)
Option 0: Baseline scenario – do nothing and apply no restrictions on export journeys for slaughter or fattening beginning in or transiting through Great Britain to a third country.
Option 1 (preferred option): End live animal exports for slaughter and fattening from Great Britain, for export journeys beginning in or transiting through Great Britain to a third country.
 Option 1 is our preferred option because it delivers the aims of the policy and improves the welfare of animals while taking into account proportionality and feasibility of implementation. Other regulatory and non-regulatory options⁴ such as an export assurance scheme and taxation were also considered. These were rejected as assessment showed that they were not as effective in addressing the issue and did not deliver the policy objective of ending live exports for slaughter and fattening.

Will the policy be reviewed? It will be reviewed. If applicable, set review date: 5 years after introduction				
Is this measure likely to impact on international trade and		Yes		
Are any of these organisations in scope?	Micro Yes	Small Yes	Medium Yes	Large Yes
What is the CO ₂ equivalent change in greenhouse gas emissions?		Traded: Negligible	Non-traded: Negligible	

I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.

Signed by the responsible Minister: Zac Goldsmith  Date: 03/08/2021

¹ FAWC: Opinion on the Welfare of Animals during Transport (https://consult.defra.gov.uk/transforming-farm-animal-health-and-welfare-team/improvements-to-animal-welfare-in-transport/supporting_documents/fawcopiniononthewelfareofanimalsduringtransport.pdf), pp. 324.

² The United Kingdom, the Isle of Man and the Channel Islands (Guernsey and Jersey)

³ Information asymmetry: Consumers lack full information and are often unaware of the animal welfare costs and those people who are aware might not be consumers of the final good, so they are unable to express their preferences.

⁴ Further options are outlined in the options assessment.

Summary: Analysis & Evidence

Policy Option 1

Description: End live animal exports for slaughter and fattening from Great Britain, for export journeys beginning in or transiting through Great Britain to a third country.

FULL ECONOMIC ASSESSMENT

Price Base	PV Base	Time Period	Net Benefit (Present Value (PV)) (£m)		
2020	2021	10	Low: -3.7	High: -11.8	Best Estimate: -8.4

COSTS (£m)	Total Transition (Constant Price) Years		Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	0.0		0.4	3.7
High	0.0		1.4	11.8
Best Estimate	0.0		1.0	8.4

Description and scale of key monetised costs by 'main affected groups'

In this policy, livestock (cattle, sheep, pigs and goats) and equine (registered and unregistered) export journeys beginning in or transiting through Great Britain for slaughter and fattening would end. The direct cost to businesses arising from this policy has been monetised. Reduction in the volume of exports for slaughter and fattening which would reduce by 100%, would result in a lost profit to exporters of around £5.2m across the 10-year appraisal period in the central scenario (2021-2030), around £0.5m per annum. This policy affects mainly sheep exports⁵. In 2020 we exported around 45,000 sheep which accounts for 58% of exports of livestock and equine (around 77,000 exports in total of livestock and equine)⁶. However, in terms of scale it represents a very small proportion (0.02%⁷) of all livestock slaughtered in the United Kingdom (UK) and of sheep produced in the UK (it is equivalent to less than 0.2%⁸ of sheep holdings output in the UK). These costs reflect the loss of not being able to export mainly sheep. The costs assume that exporting livestock for slaughter and fattening lead to an additional 15% profit which has been used as a proxy to calculate the loss profit to businesses. We do not have evidence on the additional costs or profit margins from selling overseas⁹, however one stakeholder considered that this is a conservative estimate and that the level of profit is likely to be between 10%-15%¹⁰. Livestock producers and organisers operating across Great Britain will incur additional administrative and familiarisation costs as a result of the operation of the new system controlling live exports. This is estimated to be around £1.1m across the 10-year appraisal period in the central scenario (2021-2030). Enforcement costs have also been monetised which include familiarisation costs and on-going operating costs of around £2.1m across the 10-year appraisal period in the central scenario (2021-2030).

Other key non-monetised costs by 'main affected groups'

The impact of the ban is expected to have an impact on domestic markets, as the proposed option assumes activity is displaced rather than completely stopping activity. Businesses which can no longer export for slaughter and fattening will instead sell their live animals domestically and export the carcass or final meat product instead. However, stakeholders also highlighted that there may not be a similar level of demand for carcass or final meat products in Europe and may not be sold at a premium price as livestock currently is and as a result may stay in the domestic market. As the number of exports impacted by the policy are small, any impact on domestic price would be limited. Due to data limitations, the scale of this displacement and distributional impact have not been monetised.

⁵ The number of livestock exports for slaughter and fattening have been falling in recent years, mainly due to the public concern, campaigns and protest action over such journeys. There have been no exports of pigs for slaughter and fattening in the last 3 years and no calf exports from Great Britain since 2019. There have been no exports of goats from Great Britain for slaughter, and the exports for fattening were very low between 2016-2020. There have been no exports of unregistered equine from Great Britain between 2016-2018 for slaughter and fattening. This assumption has been applied to registered equine. Given there is demand for sheep from Great Britain in the EU, we do not expect the trade to completely stop on its own if a ban was not in place.

⁶ 2020 EU Traces Data. This data is not in the public domain

⁷ Number of exporters for slaughter is 2020 EU Traces Data. This data is not in the public domain. The total number of animals slaughtered in the UK is from <https://www.gov.uk/government/statistics/cattle-sheep-and-pig-slaughter>

⁸ This is calculated using the number of breeding ewes per holdings (from National Sheep Association) and the number of lambs born in each farm (from [John Nix farm pocket book](#)). Using the number of Sheep exported (45,000) we estimates how many holdings would be affected if these sheep can no longer be exported.

⁹ No further information was submitted through the consultation or stakeholder engagement on the difference in profit from selling livestock domestically compared to the EU, due to the commercially sensitive nature of the data. To account for the different varieties of species, destinations, and routes we have explored a 5% and 25% profit levels in the sensitivity analysis. The additional journey cost per animal was also something that we considered, but data on average cost of a domestic journey is not available, and journey length varies by species and the distance between an abattoir and the farm. In addition, one key stakeholder highlighted that exporters get a higher premium for live sheep in Europe due to limited supply, which again would not be covered in the difference in average journey costs.

¹⁰ In particular we were told that live lamb from the UK were sold at a premium in Europe because of the higher quality of the product and high demanded a for live animals.

BENEFITS (£m)	Total Transition		Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
	(Constant Price)	Years		
Low	0		0	0
High	0		0	0
Best Estimate	0		0	0

Description and scale of key monetised benefits by 'main affected groups'

The benefits of this policy have not been quantified because the value of improved animal welfare due to shorter and less stressful travel is most likely to fall to society (as opposed to final consumers) and it is not possible to monetise this value with the available evidence. Further, it is difficult to quantify the extent to which individual animal welfare will improve as a result of this ban as animal welfare is a multi-factorial concept of which transport is only one aspect. Whilst willingness to pay (WTP) literature/research is available and can be used as a proxy, we do not think its applicable in this instance as the benefits do not derive directly to the final consumers but to the public in the UK who find the transport of livestock for slaughter and fattening objectionable. In addition, whilst there is existing scientific evidence¹¹ that has explored linking specific journey times with mortality and morbidity impacts, these are not robust enough to provide the basis to produce quantitative estimates for the benefit to animals. We also currently do not have a universally accepted framework to categorise different animal welfare outcomes or associated valuations of such outcomes.

Other key non-monetised benefits by 'main affected groups'

This measure is expected to improve the welfare of animals which would otherwise have been exported for slaughter and fattening, but which could be slaughtered and fattened domestically. Any such journey would be shorter or less stressful than any equivalent journey to a third country. As highlighted in the summary, the systematic review indicated the link between journey duration and potential animal welfare compromises. Responses to the 2018 Call for Evidence and 2020 England and Wales Consultation highlighted that the general public are against this practice, which has also been reflected by campaigning activity by animal welfare organisations and Parliamentarians. It is possible that this policy could lead to increased domestic slaughter and fattening activity as these activities would instead occur domestically. Further unmonetised impacts are detailed in the 'Analysis of Impacts' section of the IA.

Key assumptions/sensitivities/risks	Discount rate (%)
<ul style="list-style-type: none"> Great Britain only. 15% additional profit which has been used as a proxy to calculate the loss profit to businesses in Great Britain. Due to the commercially sensitive nature of the data on profits, stakeholders were not able to share any further information through the consultation or through stakeholder engagement. However, this assumption was tested with stakeholders, and a key stakeholder had highlighted that this is a conservative estimate and that the level of profit is likely to be lower, but between 10%-15%¹². Assumes that future trade levels will be equal to a rolling average of the previous five-year period, starting from 2016-2020. Forecasts of future trade levels are not available, and scenarios were not appropriate to use in this instance as trade would be dependent on a number of factors. As a result, a five-year rolling average has been used as a proxy. Whilst it is possible that trade levels may change going forward, the recent decline in export for slaughter and fattening has been largely due to increasing cost of exporting (transport cost and admin cost), which is unlikely to change going forward. The distribution of export journey times for 2018 is representative of future years. Assumes that those businesses which can no longer export will instead sell their live animals domestically and may export the final meat product instead. Poultry export journeys are not in scope of the policy. 	3.5%

BUSINESS ASSESSMENT (Option 1)

Direct impact on business (Equivalent Annual) £m:			Score for Business Impact Target (qualifying provisions only) £m:
Costs: 0.7	Benefits: N/A	Net: -0.7	

¹¹ FAWC: Opinion on the Welfare of Animals during Transport.

¹² The difference average prices between the UK and EU had been considered to calculate the profit differential, however, as live animals get a premium compared to slaughtered animals, the difference in price did not capture these premium exporters receive. In addition, one key stakeholder highlighted that exporters get a higher premium for live sheep in Europe due to limited supply, which again would not be covered in the difference in average prices.

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Summary

1. In its 2019 report, FAWC identified concerns over live animal export journeys. FAWC recommended that animals should only be transported if it is absolutely necessary and that the most welfare considerate route is chosen¹³; which is a combination of journey quality, including the type of transport, duration and suitability. Animals should not be transported longer distances if suitable alternatives are available. This also reflects the conclusion of the systematic review by the University of Edinburgh and Scotland's Rural College which fed into FAWC's report; the systematic review concluded that welfare compromise is implicit in transporting animals and minimising journey length should be adopted where possible¹⁴.
2. We present one regulatory option but have considered a range of other regulatory and non-regulatory options (see table 1 below for list of all options considered). The Government is proceeding with the option to prohibit slaughter and fattening export journeys (option 1) as it meets the key objectives of improving the welfare of animals that would otherwise have been exported for slaughter or fattening, whilst achieving this in a proportionate way which minimises as far as possible the administrative impact on transporters, organisers of journeys, businesses and the Government. Analysis of the monetised impacts estimates a cost of around £8.4m over the appraisal period, with an annualised cost to business¹⁵ of around £0.7m.

Table 1: Regulatory and non-regulatory options and themes considered

Alternative Options Considered¹⁶	
Regulatory Options	Non-regulatory Options
Prohibit slaughter and fattening export journeys.	National Farmers' Union (NFU) assurance scheme in which accredited members must adhere to a set of standards when exporting sheep for slaughter or fattening.
Implement FAWC's recommendation to regulate live animal exports for slaughter and fattening.	Imposition of a tax on export journeys for slaughter and fattening.
Regulate live animal exports for slaughter and fattening via reduced maximum journey times and restrictions on exports to destinations with low welfare standards.	
Consultation Stage IA Preferred Option: Prohibit slaughter and fattening export journeys and introduce improvements to the welfare in transport regime, including reduced maximum journey times, animals being given more space and headroom during transport, stricter rules on transporting animals in extreme temperatures and tighter rules for transporting live animals by sea.	

3. The main group that will be affected will be those currently exporting live animals for slaughter or fattening, as the volume of exports for slaughter and fattening would reduce by 100%. According to 2020 data from the EU's Trade Control and Expert System

¹³ FAWC: Opinion on the Welfare of Animals during Transport, pp. 32.

¹⁴ FAWC: Opinion on the Welfare of Animals during Transport, pp. 324.

¹⁵ Calculated using the Department for Business, Energy and Industrial Strategy (BEIS) impact assessment calculator <https://www.gov.uk/government/publications/impact-assessment-calculator--3> 2019 prices, 2020 present value.

¹⁶ Further description of the options is in the 'Details of Alternative Options Considered' section.

(TRACES)¹⁷, around 6,300 sheep were exported for slaughter (it terms of scale it represents 0.02% of livestock slaughtered in the UK) and around 38,000 were exported for fattening to the EU, with no export of cattle or pigs for slaughter or fattening in that year¹⁸. This accounts for 58% of exports of livestock and equine (around 77,000 exports in total of livestock and equine). The estimated loss of profit for exporters, cost to exporters in familiarising themselves with what additional evidence they will need to provide to substantiate the journey purpose and the on-going administrative cost to exporters has been monetised. Additionally, the enforcement cost to the Animal and Plant Health Agency (APHA) in familiarising themselves with the new requirements to enforce the ban and the on-going costs of implementing these requirements has been monetised.

4. The benefits of animal welfare have not been monetised as improved animal welfare is not possible to monetise with the evidence available. WTP literature/research is not applicable here as the benefits do not derive directly to the final consumers but to the public in the UK who find the transport of livestock for slaughter and fattening objectionable. In addition, the final customer will be an international consumer, therefore the value they place on animal welfare and the impact it has on their purchasing decision could be different to UK consumers. We also currently do not have a universally accepted framework to categorise different animal welfare outcomes or associated valuations of such outcomes.
5. However, this measure is expected to address negative animal welfare effects from export journeys to slaughter or fattening who could be slaughtered and fattened domestically. Any such journey would be shorter or less stressful than any equivalent journey to a third country. Consultation responses and stakeholders have also highlighted that it is likely to lead to increased domestic activity (e.g. slaughter and fattening). This will be dependent on future domestic prices for the activity and whether it is profitable for the farmer.

Enforcement and operation

Overview of Current System

6. For export journeys beginning in or transiting Great Britain to a third country, APHA is responsible for approving journey plans, known as journey logs, for livestock and unregistered equines.
7. Any person transporting livestock or unregistered equines on a journey that is over 8 hours and is between Great Britain and a third country must have an approved journey log which covers the entirety of the journey before travel can commence. Journey logs approved by Great Britain authorities are not accepted in the EU, therefore, a separate EU-approved journey log is needed for travel to the EU as well, covering the first point of entry into the EU until the final destination. Only APHA approved journey logs are required for journeys to non-EU countries.

Implementation of Prohibition of Export Journeys for Slaughter or Fattening

8. Export health certificates previously issued for slaughter journeys will no longer be issued.
9. For export journeys of livestock or unregistered equines from or through Great Britain to a third country, the purpose of the journey will need to be declared on the journey log and evidence will need to be provided to substantiate the journey purpose declared. APHA will assess the evidence before approving journeys to take place. Additionally, all journeys between Great Britain

¹⁷ 2020 EU Traces Data. This data is not in the public domain

¹⁸ The number of livestock exports for slaughter and fattening have been falling in recent years, with no export for pigs for slaughter and fattening in the last 3 years and no calf exports from Great Britain since 2019.

and third countries¹⁹ will require a journey log, regardless of journey duration. The Government will be issuing guidance on acceptable forms of evidence before the prohibition enters into force.

Delegated Powers²⁰

10. The Animal Welfare (Kept Animals) Bill²¹ includes an enabling power to provide for the enforcement of the prohibition on the export of livestock and equines for slaughter and fattening²². Enforcement regulations outlining the implementation of the prohibition will be introduced via secondary legislation and a draft of the instrument will be introduced in Parliament after the Animal Welfare (Kept Animals) Bill receives Royal Assent. This IA has monetised the main estimated costs likely to arise from this enabling power in the sections on familiarisation, enforcement, and administration costs. We will be engaging with stakeholders on further details of the implementation of this prohibition and will account for any revisions or additions to the estimated impact of enforcement regulations.
11. The Animal Welfare (Kept Animals) Bill also includes an enabling power to amend section 12 of the Animal Welfare Act 2006 and section 26 of the Animal Health and Welfare (Scotland) Act 2006, providing the ability to amend or revoke any retained direct EU legislation²³ in the course of making regulations that promote the welfare of animals. The scope of amendments is not yet clear; therefore, it is not yet possible to estimate the scale of the cost of future secondary legislation in relation to these powers. Information on potential scales of costs would likely be gathered through a consultation or further stakeholder engagement and would be accompanied by an IA²⁴.

Scope of IA

12. This policy applies to Great Britain.
13. The proposed option cannot be implemented in Northern Ireland. Northern Ireland will continue to follow EU legislation on animal welfare in transport for as long as the Northern Ireland Protocol is in place²⁵.
14. Analysis in this assessment is based on data from the EU TRACES²⁶ system and other sources which produced Great Britain-wide estimates.

¹⁹ Third country in this IA refers to anywhere outside of the British Islands (The United Kingdom, the Isle of Man and the Channel Islands (Guernsey and Jersey))

²⁰ Further information on delegated powers can be found here: <https://publications.parliament.uk/pa/bills/cbill/58-02/0013/20210608KeptAnimalsBillDelegatedPowersMemo.pdf>

²¹ Animal Welfare (Kept Animals) Bill: <https://publications.parliament.uk/pa/bills/cbill/58-02/0013/21013.pdf>

²² Clause 43 of the Animal Welfare (Kept Animals) Bill.

²³ Clause 44 of the Animal Welfare (Kept Animals) Bill.

²⁴ Either a Regulatory Triage Assessment or an IA depending on size of impact on businesses.

²⁵ Article 5 in conjunction with Annex 2 (40) outlines that the EC No 1/2005 will apply to the UK in respect of Northern Ireland: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/840230/Revised_Protocol_to_the_Withdrawal_Agreement.pdf

²⁶ Internal data source and not in the public domain.

Policy Context

15. The transport of live animals has become a key attribute of modern livestock farming. Today, animals are transported globally for many purposes, including production, breeding, slaughter or entertainment. The current rules on protecting animal welfare in transport are derived from retained EU legislation, Council Regulation (EC) No 1/2005 (retained)²⁷, which sets out the requirements with which anyone transporting animals in connection with a commercial activity must comply and includes requirements on journey times, space allowances, water, feed, ventilation, etc. In England, this is implemented by The Welfare of Animals (Transport) (England) Order 2006. Similar legislation which implements EC No 1/2005 (retained) also exists in Scotland and Wales; The Welfare of Animals (Transport) (Scotland) Regulations 2006 and The Welfare of Animals (Transport) (Wales) Order 2007 respectively.
16. The current regulations do not reflect the latest scientific evidence on how best to protect animal welfare during transport. Specific concern has related to live exports for slaughter and fattening and the length of journey time that animals are subjected to. The transport process has the potential to negatively impact an animal's welfare, especially during long journeys e.g. behaviours are restricted, and unavoidable vehicle motion can cause distress.
17. In general, the numbers of live animals exported from Great Britain, particularly for slaughter, have declined since the 1990's²⁸. Public concern about live animal exports has a long history and there have been a number of campaigns by animal welfare organisations since the 1990s, aiming either to end live animal exports for slaughter or to limit how far an animal can be transported on welfare grounds. More recently, Compassion in World Farming presented a petition in 2017 aiming to end long export journeys of live animals, which gained the support of over one million European citizens²⁹. In 2018, a petition advocating the end of export of live farm animals after the UK leaves the EU gained 100,752 signatures³⁰.
18. The topic of live exports has also been raised repeatedly in Parliament. In 2016 Craig Mackinlay MP proposed a Private Members' Bill to amend the Harbours, Docks and Piers Clauses Act 1847 to allow ports and local authorities to ban live exports³¹. In October 2017 Theresa Villiers MP brought forward a Private Members' Bill prohibiting live animal exports³². In February 2018 live exports were the subject of a Westminster Hall debate, led by Steve Double MP³³.
19. Information gained through the Government's UK Mission to the EU has shown that improvements in welfare in transport are high on the agenda for the EU, with a number of meetings held in the European Parliament on animal transport and calls for the EU to consider bans on live exports outside the EU. In April 2021, New Zealand announced it would end the practice of exporting live animals within two years, on animal welfare grounds³⁴.
20. The Government is committed to the welfare of animals at all stages of life. To this end, the Government is assessing what improvements can be made to the regulatory regime for the

²⁷ Council Regulation (EC) No 1/2005 on the protection of animals during transport and related operations

²⁸ <https://hansard.parliament.uk/commons/2018-02-26/debates/39AF207E-7235-4D57-8723-54F6F87CC17B/LeavingTheEULiveFarmAnimalExports>

²⁹ <https://www.ciwf.org.uk/news/2017/09/1-million-strong-stopthetrucks-petition-hand-in>

³⁰ <https://petition.parliament.uk/archived/petitions/200205>

³¹ <https://services.parliament.uk/bills/2016-17/harboursdocksandpiersclausesact1847amendment.html>

³² <https://services.parliament.uk/bills/2017-19/liveanimalexportsprohibition.html>

³³ <https://hansard.parliament.uk/commons/2018-02-26/debates/39AF207E-7235-4D57-8723-54F6F87CC17B/LeavingTheEULiveFarmAnimalExports>

³⁴ <https://www.theguardian.com/world/2021/apr/14/new-zealand-to-stop-exporting-livestock-by-sea>

protection of animals in transport. The Government also has a manifesto commitment³⁵ to end excessively long journeys for slaughter and fattening. As the UK has left the EU, the Government can explore alternative options to better protect animal welfare during transport.

21. The Government launched a Call for Evidence on controlling live exports for slaughter and improving animal welfare during transport in 2018. In response to the 2018 Call for Evidence³⁶, several concerns were raised by stakeholders in relation to live exports. The Call for Evidence found that 98% (247 of the 253) of the responses from the general public supported ending live exports. Many argued for ending exports for fattening as well as slaughter.
22. FAWC were then asked to review this evidence and provide recommendations on improving the welfare of animals during transport. Scotland's Rural College and the University of Edinburgh conducted a systematic review of scientific research on the welfare of animals during transport. Evidence from the systematic review fed into FAWC's advice. In the context of live animal exports, FAWC recommended that animals should only be transported if it is absolutely necessary and that the most welfare considerate route is chosen.
23. FAWC submitted their advice to the Government in 2019 which outlined concerns about how far and under what conditions animals can be transported under the current regulations. The FAWC advice identified several aspects of transport that negatively impact animal welfare, provided principles for best practice and recommended improvements to the current regulations on animal welfare during transport.

Summary of consultation responses

24. Informed by FAWC's advice, the Government launched a consultation³⁷ in England and Wales in December 2020 on ending live animal exports for slaughter and fattening, as well as on proposals for broader improvements to the domestic welfare in transport regime. The Government received over 11,000 responses³⁸. The Scottish Government also consulted on proposals to improve animal welfare in transport based on FAWC's 2019 report recommendations but did not include a specific question on ending live exports³⁹.
25. In total, 87% of respondents agreed that livestock and equine export journeys for slaughter and fattening are unnecessary. Most respondents who agreed that such journeys are unnecessary were members of the general public and animal welfare organisations. The most common reason provided was due to concerns over welfare. Secondly, livestock could be slaughtered and fattened in the UK. Moreover, there were several campaigns submitted to the England and Wales consultation in support of ending live animal exports for slaughter and fattening. Around 111,300 people signed a Compassion in World Farming led petition to end live animal exports for slaughter and fattening; around 7,400 responses to the consultation were a part of an RSPCA campaign to end live animal exports for slaughter and fattening, and around 180 responses to the consultation were a part of an Animal Aid campaign to end live animal exports for slaughter and fattening.
26. Respondents who disagreed that livestock and equine export journeys for slaughter and fattening are unnecessary were mainly composed of farmers, membership bodies, animal transporters, meat processors and other industry representatives. The most common reason

³⁵ https://assets-global.website-files.com/5da42e2cae7ebd3f8bde353c/5dda924905da587992a064ba_Conservative%202019%20Manifesto.pdf

³⁶ <https://consult.defra.gov.uk/animal-health-and-welfare/live-exports-and-improving-welfare-in-transport/>

³⁷ [Improvements to animal welfare in transport - Defra - Citizen Space](#)

³⁸ These included campaign responses.

³⁹ <https://www.gov.scot/publications/consultation-farm-animal-welfare-committees-opinion-welfare-animals-during-transport-scottish-government-response/pages/1/>

was that there were already high standards of animal transportation in the UK. Secondly, concerns were raised on the lack of local slaughterhouses, highlighting that pressure from large retailers has led to the closure of many small local slaughterhouses across the UK leaving a small number of large slaughterhouses where journeys would result in excessive journey times. Some responses to the consultation suggested that slaughterhouses abroad can be quicker to reach as opposed to domestic slaughterhouses.

27. On the issue of banning live exports for fattening, a large proportion of respondents were critical of the proposed definition in the consultation and considered a time limit to be unenforceable. The Government has taken account of this feedback and removed the reference to a 6-month time limit in the definition of fattening in the Animal Welfare (Kept Animals) Bill; instead, a fattening export is when an animal is exported for the purposes of being fattened for slaughtered.
28. The live exports policy will not apply to exports of poultry, nor will the policy apply to live exports of livestock or equines for purposes other than slaughter or fattening, such as for breeding, scientific research or competition, as concerns have not been raised about the welfare implications of these journeys. During the consultation period Defra also held a number of meetings with key stakeholders to give them the opportunity to discuss the proposals and provide us feedback.
29. The consultation also sought views on other wider improvements to the domestic animal welfare in transport regime for all journeys in England and Wales, including reduced maximum journey times; stricter requirements for temperature and ventilation; new space allowance and headroom height requirements; and stricter requirements for sea transport. These proposals would apply to all animals that are transported for economic reasons as currently defined in the retained EC No 1/2005. We are reviewing the responses to these proposals and will be setting out our next shortly. These proposals were included in the Consultation Stage Impact Assessment as the Preferred Option together with the live exports ban. However, this reform programme does not require primary legislation and will be taken forward to a slower timetable and is therefore not included in this IA. A separate assessment of the cost and benefits of this reform programme will be done at a later stage.
30. The Government will publish the summary of responses to the England and Wales consultation shortly. The policy to end live animal exports for slaughter and fattening and this IA have been informed by the responses to the 2018 Call for Evidence, the 2020 England and Wales consultation and close engagement with stakeholders.

Rationale for intervention

Policy rationale

31. Animals can undergo varying amounts of stress during transportation, including exposure to extreme temperatures, reduced space allowances, motion and vibrations, and behavioural restrictions during the journey. These stress factors can lead to serious negative effects on an animal's welfare⁴⁰. Journey durations should be minimised where possible to reduce the risk of welfare complications arising during journeys. FAWC's 2019 report and the systematic review highlighted the link between journey duration and potential animal welfare compromises⁴¹.
32. Export journeys for slaughter and fattening for subsequent slaughter cause concern as they are either unnecessary or are unnecessarily stressful for the animals involved. According to

⁴⁰ FAWC highlighted that the transport process has the potential to negatively impact an animal's welfare e.g. during a journey, normal behaviours are restricted, and unavoidable vehicle motion may cause distress, pp.14.

⁴¹ FAWC: Opinion on the Welfare of Animals during Transport, pp. 324.

EU TRACES data⁴² the shortest direct to slaughter export journey from the UK to continental Europe was an estimated journey time of 18 hours (UK to Netherlands export), with a median estimated journey time of 21 hours for all direct to slaughter export journeys that took place in 2018. The longest estimated direct to slaughter export journey was 25 hours (UK to France export). For fattening journeys, the shortest journey was an estimated journey time of 12 hours (UK to Netherlands), with a median estimated journey time of 21 hours for all fattening export journeys that took place in 2018. The longest estimated export journey for fattening was 128 hours (UK to Spain). Responses to the consultation also highlighted that live animals exported to the EU are at risk of being transited onwards to alternative destinations for eventual slaughter, subjecting the animal to increased risks of stress during transport due to longer journeys as well as possibly lower welfare at slaughter standards than those in the UK or the EU.

33. On the basis of the journey times involved in exports of live animals for slaughter from the UK to continental Europe and the evidence of the welfare issues posed by export journeys for these purposes, the Government considers export journeys for slaughter to be unnecessary or unnecessarily stressful. This view also applies to export journeys where animals are fattened at their destination in preparation for their eventual slaughter, typically soon after their initial arrival at the destination; these journeys effectively represent a slaughter export. Both slaughter and fattening export journeys are unnecessary because the animals could be slaughtered or fattened in Great Britain and any such journey for slaughter or fattening would be shorter or less stressful than any equivalent journey to a third country. Information submitted to the consultation from a key stakeholder survey conducted in 2020 highlighted that the majority of journeys that take place in the UK are below 8 hours, with very few exceeding 8 hours. Thus, the typical journey times for slaughter or fattening journeys domestically are likely to be less than the median times for slaughter or fattening export journeys that have been previously highlighted. Therefore, export journeys for slaughter and fattening for subsequent slaughter are not in the welfare interests of the animals as the journey times could be minimised, particularly if they take place towards the end of their lives when animals are less able to withstand long journeys. FAWC also highlighted this issue, noting that some animals that are transported for slaughter can pass several abattoirs in the UK to be slaughtered overseas⁴³, which further indicates that these export journeys are not only long but unnecessary as animals could be slaughtered domestically and final meat products exported instead. These export journeys present a welfare risk because longer journeys can increase the likelihood that an animal's welfare could be compromised due to stress experienced during the journey.
34. Some responses to the consultation suggested that journeys are sometimes made to slaughterhouses abroad as opposed to domestic slaughterhouses because the former have a shorter journey duration compared to the nearest available domestic alternative⁴⁴. However, the available data and evidence received during the consultation shows that, whilst overseas slaughterhouses may sometimes be closer in distance than the nearest available domestic slaughterhouse, journey times involved in exporting animals for slaughter are in fact longer. It is journey duration rather than journey distance which has the greatest impact on the welfare of the animal and therefore it is considered that once an export ban is imposed, animal welfare will benefit from journey times being shorter.

⁴² EU Traces data which is not in the public domain. This 2018 data does not include where in the UK the exports are from. We therefore have assumed that journeys from the UK to continental Europe originated from Great Britain; thus, Great Britain to continental Europe export journeys.

⁴³ FAWC: Opinion on the Welfare of Animals during Transport, pp. 32.

⁴⁴ E.g. Dover to Calais 1.5hrs Plymouth to Sherbourne 2hr. However, we have no evidence to show these journeys are used to export live animals.

35. Furthermore, the impact of a live export ban on slaughterhouse choice has been considered as part of this assessment. Recent trends⁴⁵ suggest that despite a fall in the number of domestic abattoirs more animals are being slaughtered in the UK, indicating that overall, the current capacity of slaughterhouses would be able to absorb the additional supply of animals that are currently exported for slaughter (based on 2020 export data, this makes up 0.02% of livestock slaughtered in the UK). We recognise, however that there may be niche markets (such as for fattening) where there may not be enough domestic demand to meet this extra supply. Whilst data is not available on whether there would be sufficient domestic demand and capacity to absorb the additional activity, this will be monitored through stakeholder engagement to identify any strains in the supply chain.
36. The proposed ban on live exports for slaughter and fattening does not extend to poultry since no concerns have been raised about the welfare implications of such journeys. Stakeholder engagement has highlighted that poultry exports typically consist of significant numbers of day-old chicks from the UK to continental Europe and non-EU countries, and EU TRACES data shows that poultry exports are either for breeding or other⁴⁶ purposes. Evidence suggests that due to energy and water reserves in the yolk sac of day-old chicks, they are able to travel for up to 24 hours with minimal implications for their welfare⁴⁷.
37. Furthermore, we are not proposing a ban on exports for purposes other than slaughter or fattening, such as breeding, scientific research and competition, as concerns have not been raised about the welfare implications of these journeys. Animals that are exported for breeding purposes are typically transported in very good conditions above the regulatory baseline, with procedures put in place to ensure that the welfare of the animal is prioritised during the journey. This is equally true for livestock and equines transported for scientific purposes, racing or competition due to the associated high value of the animal. Animals exported for breeding are also typically able to live a full and healthy life once they arrive at the destination country, as opposed to animals enduring long unnecessary journeys before being slaughtered immediately on, or soon after, arrival.
38. Equally, this policy will not impact on imports to Great Britain for slaughter or fattening, or on internal slaughter and fattening movements within the UK. Whilst the majority of domestic journeys within the UK are likely to be under 8 hours in duration (see paragraph 33), it is possible that long domestic journeys for slaughter or fattening purposes that will be in excess of 8 hours will continue (e.g. journeys to remote areas of Scotland). The Government recently consulted in England and Wales on proposals to reduce maximum journey times for all journey purposes (see paragraph 29 for further details). The Government will publish the summary of responses to the England and Wales consultation shortly.

Economic rationale

39. Export journeys for slaughter and fattening which are unnecessarily long give rise to negative externalities and information asymmetries, but in the context of animal welfare it is difficult to capture with the evidence available as the value of animal welfare is difficult to ascertain.
40. Market failures arise as the social cost of animals being transported long distances is not reflected in the price of the final good and is not captured elsewhere which is inefficient. Animal products are credence goods. Credence goods arise when consumers lack full information; they are often unaware of the animal welfare costs (information asymmetry) and

⁴⁵ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/955031/welfare-animals-time-of-killing-regs-2015-post-implementation-review.pdf

⁴⁶ These include anything else that is not covered by the category included in the dataset.

⁴⁷ FAWC: Opinion on the Welfare of Animals during Transport, pp. 72.

those people who are aware might not be consumers of the final good, so they are unable to express their preferences.

41. These difficulties mean consumers' purchasing behaviour does not accurately represent how strongly they feel about animal welfare. Therefore, we do not think that price can be used as a reflection of consumers' WTP for these attributes, as it does not reflect the disutility from the live animal being transported. Whilst WTP literature/research is available and can be used as a proxy, we do not think its applicable in this instance as the benefits do not derive directly to the final consumers but to the public in the UK who find the transport of livestock for slaughter and fattening objectionable. Further, it is difficult to quantify the extent to which individual animal welfare will improve as a result of this ban as animal welfare is a multi-factorial concept of which transport is only one aspect. We expect the losses to those who engage in these transport activities could, in theory, be offset by benefits held by society in relation to these activities.
42. The available evidence suggests strong public support for animal welfare and improvements. In response to the consultation, 87% of respondents (around 11,000 respondents in total) agreed that livestock and equine export journeys for slaughter and fattening are unnecessary, with the most common reason being concerns over welfare. In addition, a survey conducted by the EU Commission in 2016 highlighted that 76%⁴⁸ of UK respondents agreed that the welfare of farmed animals should be better protected. This suggests the public attributes a greater value to animal welfare of farmed animals, than is currently practised. Further to this, in Defra's Health and Harmony consultation in 2018, 68% of respondents said 'yes' to the question "Do you think there is a strong case for government funding pilots and other schemes which incentivise and deliver improved welfare?"⁴⁹. This argues for government intervention to reflect public opinion.

Strategic objectives rationale

43. In line with HM Treasury Green Book⁵⁰ best practice, there is also a wider government strategic reason for intervention. As part of the Health and Harmony 2018 policy statement, the Government is committed to "continue to keep our regulatory baseline under review, raising standards sustainably over time as new research and evidence emerges". Ending live animal exports for slaughter and fattening meets this strategic objective and raises the regulatory baseline animal welfare in transport in line with emerging evidence.

Policy Objectives

44. The policy objectives are to:

- Improve the welfare of animals that would have been exported for slaughter or fattening;
- Achieve this whilst minimising, as far as possible, the administrative impact on businesses and the Government (proportionality); and
- Deliver the UK Government's manifesto commitment to 'end excessively long journeys for slaughter and fattening'.

45. Based on the available evidence, including the Call for Evidence, the FAWC report, the recent consultation and engagement with stakeholders, it is the Government's view that

⁴⁸ Eurobarometer - http://data.europa.eu/euodp/en/data/dataset/S2096_84_4_442_ENG

⁴⁹ Health and Harmony: the future for food, farming and the environment in a Green Brexit - Summary of responses https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/741461/future-farming-consult-sum-resp.pdf

⁵⁰ HMT Green Book, Central Government guidance on appraisal and evaluation, pp.13.

exports for slaughter and fattening are unnecessary or unnecessarily stressful journeys for the animals involved and so are not in the welfare interests of the animals, particularly if they take place towards the end of their lives when animals are less able to withstand long journeys. The intended outcomes are to end exports for slaughter and fattening, improving animal welfare as a consequence, and implement this in a way which does not introduce increased burden on transporters and Government.

46. The policy will be implemented via primary legislation in the Animal Welfare (Kept Animals) Bill. The Government will publish guidance in relation to the operation and implementation of the prohibition before the measure enters into force.

Details of Alternative Options Considered

47. Table 1 earlier lists the options that we considered would most effectively meet our policy objectives. Prior to selecting these options, we considered other alternatives that may have met our policy objectives, including non-regulatory measures. We have considered a range of policy instruments and conducted a high-level qualitative assessment of these options. A more thorough cost-benefit analysis of the option to end live animal exports for slaughter and fattening was then conducted.

High level qualitative assessment of options and themes

Table 2: Scoring of the regulatory and non-regulatory options against each individual policy objective (see below table for explanation of scores)

Policy Objectives	End Live Exports	Journey Time and Welfare Standard Regulatory Approach	Consultation Stage IA Preferred Option	FAWC Recommendation	NFU Assurance Scheme	Export Tax
Improve the welfare of animals subject to export slaughter or fattening journeys	✓✓✓	✓✓✓	✓✓✓	✓✓✓	✓	✓
Proportionality	✓✓✓	X	✓	✓	✓✓✓	✓
Manifesto Commitment	✓✓✓	✓✓✓	✓✓✓	✓✓✓	X	✓

Scoring	Description
X	No alignment with the policy objective
✓	Marginal alignment with the policy objective
✓✓	Medium alignment with the policy objective
✓✓✓	Strong alignment with the policy objective

NFU Assurance Scheme

48. One option considered was the creation of a voluntary assurance scheme for exporting sheep for slaughter and fattening from Great Britain, a concept put forward by the NFU. Accredited members must adhere to revised maximum journey times and other welfare requirements when exporting animals for slaughter or fattening, including:
- The total journey time on the vehicle must be less than 12 hours from the point of farm/collection centre departure to arrival at the final destination;
 - Animals travelling longer than 6 hours from the point of farm departure to a collection centre/place of export must be unloaded at the collection centre for a resting period of not less than 24 hours. Animals must be then immediately unloaded upon arrival and adequately fed, bedded and watered throughout this period; and
 - Transporters adopt standards for the operation of participating farms, abattoirs, keepers and collection centre operators, fitness to transport of animals etc.
49. Farmers would voluntarily sign up to the proposed assurance scheme. They may be incentivised to do so based on, for example, the potential to charge a premium price for their higher welfare product, gaining access to new markets or it may be a requirement for their supply or marketing arrangements.
50. Defra discussed the details of this proposal with the NFU. This option was considered to have marginal alignment with improving the welfare of animals subject to export journeys for slaughter or fattening. The proposed scheme included requirements on aspects separate to journey times which were aimed at improving the welfare of the sheep during export slaughter journeys. The proposed scheme would not, however, provide any assurance for exports of other livestock species or equines. In addition, the NFU scheme would not reduce the typical current journey time for exports to the EU from Great Britain for slaughter (see paragraph 32). Animals would therefore still face similar welfare concerns to those previously identified.
51. This option was deemed to have strong alignment with achieving a proportionate policy; the scheme would have been specifically targeted at journey organisers who export sheep for slaughter or fattening which accounts for the significant majority of all Great Britain slaughter and fattening exports to the EU. Moreover, due to the voluntary nature of the scheme any additional costs to businesses would be voluntarily incurred. However, this option was fundamentally opposed against the policy objective to implement the manifesto commitment as it would not end excessively long journeys of live animals for slaughter or fattening.

Journey Time and Welfare Standards Regulatory Approach

52. Another option considered was regulating live exports by means of reduced maximum journey times⁵¹. Maximum journey times recommended by FAWC could be implemented for all journey purposes, and within these reduced journey times further limits could be included to reduce journey times to slaughter and fattening, both domestically and for export. Additionally, this option could have introduced restrictions on all live animal exports to destinations with lower animal welfare standards than those in Great Britain.
53. This option was scored as having strong alignment with improving the welfare of animals subject to export slaughter or fattening journeys. By introducing additional limits within the

⁵¹ Maximum journey times recommended by FAWC (FAWC: Opinion on the Welfare of Animals during Transport, pp. 40) Broiler chickens – 4 hours; pigs – 18 hours, newly weaned pigs – 8 hours, horses – 12 hours, recently hatched chicks – 24 hours, calves – 24 hours, cattle – 29 hours, sheep – 48 hours and other animals – 21 hours.

reduced journey times, the option would have been able to restrict unnecessary slaughter or fattening exports from Great Britain, addressing the welfare concerns of these journeys. As a consequence, these animals would not be subject to longer journeys than necessary for slaughter or fattening. This policy also would have addressed the welfare concerns raised on animals being transported on long distances to slaughter to destinations with poor welfare standards

54. There was limited evidence to implement further reduced journey times than what was recommended by FAWC in 2019. Furthermore, this option would not have achieved the objective of minimising the impact on businesses and Government. Introducing further limits would have negatively impacted on some domestic journeys for slaughter and fattening, such as to remote areas of Scotland which might have introduced additional costs to businesses. This option would have also impacted exports for other purposes which would have introduced additional costs to businesses (although exceptions could have been built into the policy).
55. Furthermore, there also would have been additional costs to Government incurred from monitoring and regularly ranking third countries in relation to their animal welfare in transport standards. In addition, this option would not have delivered the manifesto commitment as it would have controlled live exports for slaughter or fattening but would not end excessively long journeys of live animals for slaughter or fattening.

FAWC Recommendation

56. Another option considered was FAWC's recommendation on addressing welfare concerns over live animal exports. FAWC recommended that APHA should approve all exports for slaughter or fattening on an individual basis; transporters would be required to explain why alternative domestic arrangements could not be made for slaughter or fattening exports, and APHA would evaluate this evidence before approving or rejecting the export journey taking place.
57. This option was scored as having strong alignment with improving the welfare of animals subject to export slaughter or fattening journeys. APHA's assessment would be based on assessing the necessity of journeys, taking into account journey times and alternative slaughterhouse availability. Based on current journey times and slaughterhouse availability (see paragraphs 32 – 35), it is highly likely that implementing this option would lead to animals previously being exported for slaughter or fattening going to domestic alternatives instead.
58. However, this option would have introduced increased burden for transporters in providing evidence to justify slaughter or fattening export journeys and increased burden for the Government in assessing of such journeys. Additionally, given the context of current journey times and slaughterhouse availability (see paragraphs 32 – 35); the policy objective could be more efficiently achieved by implementing a prohibition instead of introducing overburdensome administrative processes to achieve a similar outcome. This option would also not have delivered the Government's manifesto commitment as it would have controlled live exports for slaughter or fattening but would not end excessively long journeys of live animals for slaughter or fattening.

Export Tax

59. Another option considered was the taxation of live animal exports for slaughter and fattening. By introducing a cost to journeys of live animals that go for slaughter or fattening, the profitability and thus viability of these journeys would reduce. We would therefore expect the volume of such journeys to decrease.

60. This option was considered to be marginally aligned with some of the policy objectives. As the aim of this tax would be to disincentivise a certain activity, rather than raising revenue, the size of the tax would have to be carefully set in order to reduce the number of export journeys for slaughter and fattening. Setting the tax at the right rate by species to discourage export journeys would therefore be a considerable challenge. There would be no guarantee, therefore, that animal welfare would be improved.
61. While setting the proposed tax high enough could in theory minimise exports for slaughter or fattening, the potential complexity of the system and associated administrative and collection costs would mean this option would be burdensome for both businesses and the Government. This option also would not have delivered the Government's manifesto commitment as it would have controlled live exports for slaughter or fattening but would not end excessively long journeys of live animals for slaughter or fattening.

Consultation Stage IA Preferred Option

62. In the consultation stage IA, the preferred option was a combination of ending live animal exports for slaughter and fattening, and introducing wider domestic welfare in transport reforms, including reduced maximum journey times, animals being given more space and headroom during transport, and stricter rules on transporting animals in extreme temperatures and by sea⁵².
63. The wider reform programme does not require primary legislation and will be taken forward to a slower timetable and is therefore not included in this IA (see paragraph 29 and 30 for further details).

Summary

64. In summary, the high-level assessment of the non-regulatory options considered indicates that all of these and the majority of regulatory options are unlikely to achieve our desired objective since they would create additional burdens for transporters, organisers of journeys, businesses and the Government; would not significantly improve the welfare of animals subject to export slaughter or fattening journeys and would not deliver the manifesto commitment.
65. In order to end unnecessary long journeys for slaughter and fattening, the Government considers it necessary to end the export for slaughter and fattening of live animals from or through Great Britain to third countries. This will improve the welfare of animals that would otherwise have been exported as they will be going to alternative domestic destinations on shorter journeys. This policy will also implement the manifesto commitment. The existing journey log process will be used and adapted to enforce the policy, which will minimise the impact of implementation on Government resourcing. Whilst there will be an impact on transporters who export for other purposes (e.g. breeding stock) due to the adapted journey log process, this will be minimised through guidance. The policy option of ending live animal exports for slaughter and fattening has therefore been taken forward for further analysis in this IA.

Preferred option: End live animal exports for slaughter and fattening from Great Britain, for export journeys beginning in or transiting through Great Britain to a third country

⁵² Further detail can be found on pp 6 -16 of the Defra consultation https://consult.defra.gov.uk/transforming-farm-animal-health-and-welfare-team/improvements-to-animal-welfare-in-transport/supporting_documents/consultationonimprovementstoanimalwelfareintransport.pdf

66. This policy will prohibit exports of livestock (cattle, sheep, goats and pigs) and equines (both registered and unregistered) for slaughter or fattening for subsequent slaughter from Great Britain to a third country.
67. Slaughter or fattening journeys which commence outside Great Britain, transit through Great Britain and end in a third country will also be prohibited.
68. A slaughter export is defined as someone who exports an animal listed in paragraph 66, who knows, or could be reasonably be expected to know, that the animal is being exported for the purposes of being slaughtered, or for the purposes of being fattened for slaughter.
69. The policy will not apply to exports of poultry or exports for purposes other than slaughter or fattening (e.g. breeding, production, scientific purposes, competition etc.)
70. The policy option will not impact on domestic animal movements for slaughter or fattening within the UK or on import journeys. As set out in paragraph 29, we will be taking forward separately a wider programme of reforms to the welfare in transport regime.
71. This policy will apply across Great Britain.

Analysis of impacts

Option 0: Do nothing

72. Option 0 is the do-nothing scenario against which other options are compared. As such, the costs and benefits are zero.
73. The implicit assumptions in the calculations is that the counterfactual assumes that future trade levels will be equal to a rolling average of the previous five-year period, starting from 2016-2020. Forecasts of future trade levels are not available, and scenarios were not appropriate to use in this instance as trade would be dependent on a number of factors. Whilst it is possible that trade levels may change going forward, the recent decline in export for slaughter and fattening has been partly due to increasing cost of exporting⁵³ (transport cost and admin cost), which is unlikely to change going forward. In addition, the lack of available carriers and public concern regarding long export journeys have contributed to this downward trend.
74. Export data⁵⁴ available from 2016-2018 did not include country of origin, and therefore the proportion of UK exports that are from Great Britain in 2019 and 2020 has been applied to 2016-2018 data.

Option 1: End live animal exports for slaughter and fattening from Great Britain, for export journeys beginning in or transiting through Great Britain to a third country.

Data

75. The main source of information used to model the impact on exports of live animals is data from the EU TRACES system⁵⁵. The system was the EU Commission's management tool, which recorded all required information between relevant parties for intra-EU trade of live animals. Most of the data recorded on TRACES was taken from Intra-Trade Animal Health (ITAHC) certificates, which were issued by an authorised vet for all shipments of live animals from and to

⁵³ This is based on views from stakeholder engagement.

⁵⁴ EU TRACES data which is not in the public domain.

⁵⁵ EU TRACES data which is not in the public domain.

the UK. While TRACES was designed for information exchange, risk management and traceability, the nature of the data collected also provided a good overview of the number and type of international live animal's movements. Table 3 shows the estimated total number of live animals⁵⁶ movements between Great Britain and EU in 2020, for all purposes (e.g. breeding, fattening & production and slaughter).

76. Whilst the table shows exports of all animals, exports of poultry are exempt from this option. Although the data focuses on exports to the EU, Great Britain does not export to non-EU countries for slaughter or fattening.
77. The volume of exports captured under this option includes those that currently are required to have journey logs, which are journeys longer than 8 hours to a third country from Great Britain and journeys that currently do not require journey logs. Under this option, the requirement for a journey log will be extended to all export journeys regardless of duration. The volume of exports through journeys less than 8 hours are self-reported and are not checked or quality controlled by APHA. It can be inputted by 3rd parties including the applicants/exporters who use TRACES, as well as TRACES autogenerating routes based on what route it thinks the transporter may take. Reviewing this data, many destinations are unlikely to be reached in under 8 hours, which is particularly the case for slaughter and fattening journeys. In recent years commercial ferry companies have adopted policies not to transport livestock consignments if they suspect that they are destined for slaughter or fattening. The MV Joline has been the only operator conducting slaughter or fattening exports from Great Britain to Europe in recent years, which excluding additional times for loading, unloading and unforeseen rest periods has a minimum estimated crossing time of 4 hours 30 minutes from the port in Ramsgate to Calais. Therefore, it is highly probable that journeys within this data set for slaughter or fattening are not likely to have taken less than 8 hours. In addition, the impact of the end of the transition period has meant that UK journey logs are not recognised by the EU and anyone wishing to export livestock or equines from Great Britain to the EU now needs to have EU documentation as well as Great Britain documentation. The overall effect of this is that the numbers of exporters is likely to have been further reduced as all exporters captured in the current estimates are unlikely to apply or obtain EU type 2 authorisations in addition to Great Britain type 1 authorisation⁵⁷. Overall, the figures for slaughter and fattening presented within this IA are therefore likely to be a significant overestimate. However, without further information on the journeys, it is unclear what proportion of these are valid journeys. As a result, all these journeys have been captured in table 3 below.

Table 3: Exports of live animals to the EU in 2020 for all purposes (e.g. breeding, fattening & production and slaughter).

	Number of animals transported in 2020 from Great Britain to EU	Proportion of exports per species for slaughter and fattening
Cattle	1,700	0%
Sheep	48,200	92%

⁵⁶ The table details the estimates for the main species.

⁵⁷ Transporter authorisations are needed to transport animals for a commercial purpose. Type 1 transporter authorisations cover journeys over 65km and up to 8 hours, Type 2 transporter authorisations cover journeys over 8 hours.

Pigs	12,200	0%
Chickens	10,467,300	0%
Other Poultry	2,317,600	0%
Goat	300	1%
Equines	14,100	0%
Total	12,861,400	

Source: EU TRACES data, 2020, rounded to the nearest hundred. Due to rounding, some totals may not correspond with the sum of the separate figures.

78. According to EU TRACES data on the movement of live animals in the EU, over 12 million live farm animal moves from Great Britain occurred in 2020 with the vast majority of these being poultry and only around 77,000 non-poultry (cattle, sheep, goat, pigs and equines). The vast majority of these non-poultry moves were to the EU. These estimates vary significantly from the 2018 data used in the consultation stage IA, as there has been a downward trend in the export of cattle and it excludes exports from Northern Ireland. The majority of the animals are exported to the Netherlands (25%) and Ireland (24%), with 15% exported to Germany and 10% to France. The data on registered equines is not filtered for journey purpose, and therefore we have applied the proportion of unregistered equines that are exported for slaughter and fattening to the number of registered equines.

Methodology

79. Under the modelled policy scenario, the number of exports of live animals falls compared to the 2020 baseline. Table 4 shows the number of export journeys between Great Britain and the EU in 2020 that will be restricted under this option. This accounts for 58% of exports of livestock and equines. The data shows that if trends continue, these restrictions will only impact the trade of sheep and goats as there have been no exports of other livestock for slaughter and fattening in 2020.

80. In addition, one stakeholder considered that the reduction in exports is largely due to the cost of exporting (transport cost and completed journey logs and health certificates) and that sheep are currently being exported due to the higher demand in Europe.

Table 4: Option 1 scenario reduction in exports between Great Britain and the EU, based on 2020 data

Animal	Purpose	2020 Exports
Cattle	Slaughter	0
	Fattening	0
Sheep	Slaughter	6,272
	Fattening	38,111
Pigs	Slaughter	0
	Fattening	0
Equines	Slaughter	0
	Fattening	0
Goats	Slaughter	0
	Fattening	4

Source: EU TRACES Data

81. The baseline “do-nothing” position for exports was projected forward for the period 2021 to 2030. The reductions in exports (outlined in table 4) were then applied to the “do-nothing” projections

for the policy option. Using this model, we were able to estimate and quantify the impact of the proposed option on the number of animals exported, for the period 2021-2030.

82. As the policy options do not cover Northern Ireland, trade between Northern Ireland and the Republic of Ireland is unaffected.

Lost profit

83. In general, the number of animals exported for slaughter and fattening has decreased since the 1990s when millions of animals were exported to slaughter⁵⁸. The potential risks associated with Bovine Spongiform Encephalopathy (BSE) or otherwise known as 'mad cow disease' led to the implementation of a worldwide ban on the export of UK live cattle as well as other cattle products in 1996 whilst the UK was a member of the EU. This, in conjunction with growing welfare concerns on the practice of export live animals for slaughter and fattening has culminated in fewer live animal exports for slaughter and fattening in recent years. Thus, the number of exporters who might be able to provide information on the costs and profits of exporting for slaughter and fattening has also substantially decreased. This policy affects mainly sheep exports⁵⁹. In 2020 we exported 45,000⁶⁰ sheep which accounts for 58% of exports of livestock and equine (around 77,000⁶¹ exports in total of livestock and equine). However, in terms of scale it represents a very small proportion (0.02%⁶²) of all livestock slaughtered in the UK and of sheep produced in the UK (it is equivalent to less than 0.2%⁶³ of sheep holdings output in the UK).

84. It is rational to assume that businesses export livestock to maximise profits. Businesses exporting live animals will likely incur additional transport cost (both road and sea transport) and transition cost (cost of completing journey logs and export health certificates⁶⁴ for each consignment). Therefore, taking these additional costs into account, the revenue a business receives from selling livestock abroad must cover these costs, and leave a level of profit for these businesses to make it worth the additional effort. It is therefore reasonable to assume that businesses receive higher profits from exporting livestock, compared to what they would receive domestically. This is supported by the deadweight slaughter prices in the EU and UK⁶⁵, however the difference in price does vary by quality, species, breed and destination.

85. To calculate the lost profit arising from a reduction in exports, information on the cost of transporting livestock, the revenue received domestically and abroad for livestock and further transition costs is required. Unfortunately, we have not been provided with any further information through the consultation or from stakeholder engagement; this is mainly due to the commercially sensitive nature of the data. The analysis does not make any assumptions on transportation and transaction costs due to the lack of data and looks at profit after transport and other costs have been accounted for.

⁵⁸ <https://hansard.parliament.uk/commons/2018-02-26/debates/39AF207E-7235-4D57-8723-54F6F87CC17B/LeavingTheEULiveFarmAnimalExports>

⁵⁹ The number of livestock exports for slaughter and fattening have been falling in recent years, mainly due to the public concern, campaigns and protest action over such journeys. There have been no exports of pigs for slaughter and fattening in the last 3 years and no calf exports from Great Britain since 2019. There have been no exports of goats from Great Britain for slaughter, and the exports for fattening were very low between 2016-2020. There have been no exports of unregistered equine from Great Britain between 2016-2018 for slaughter and fattening. This assumption has been applied to registered equine. Given there is demand for sheep from Great Britain in the EU, we do not expect the trade to completely stop on its own if a ban was not in place.

⁶⁰ 2020 EU Traces Data. This data is not in the public domain

⁶¹ 2020 EU Traces Data. This data is not in the public domain

⁶² Number of exporters for slaughter is 2020 EU Traces Data. This data is not in the public domain. The total number of animals slaughtered in the UK is from <https://www.gov.uk/government/statistics/cattle-sheep-and-pig-slaughter>

⁶³ This is calculated using the number of breeding ewes per holdings (from National Sheep Association) and the number of lambs born in each farm (from [John Nix farm pocket book](#)). Using the number of Sheep exported (45,000) we estimate how many holdings would be affected if these sheep can no longer be exported.

⁶⁴ Issued for all journeys excluding slaughter.

⁶⁵ https://ec.europa.eu/info/sites/info/files/food-farming-fisheries/farming/documents/market-prices-animal-products_en.pdf

86. Given the lack of information regarding the scale of profits made by selling abroad, we considered a number of alternative approaches:

- Identifying proxies including getting an indication of domestic profit levels. Given the commercially sensitive nature, we have not been able to pursue this route.
- The difference in the average price of livestock in the UK compared to average prices in EU was also considered, however, the difference in price was so small that it would not justify the additional cost of exporting (transport cost and cost of filling out journey logs) or the premium exporters receive for livestock compared to slaughtered animals.⁶⁶
- The additional journey cost per animal was also considered, but data on average cost of a domestic journey is not available, and journey length varies by species and the distance between an abattoir and the farm.
- In the consultation we asked for information in regard to the 15% profit assumption, however, whilst the consultation responses did highlight that there would be a financial impact to businesses exporting livestock, no further evidence was submitted on the scale of the impact. Additionally there were no suggestions that our assumption was incorrect.

87. We also spoke to a key stakeholder who highlighted that exporters get a higher premium for live sheep in the EU due to limited supply, further suggesting that the difference in average prices or the difference in average journey costs would not capture the realised profits. Dynamic costs were also discussed, which highlighted that the number of animals exported for slaughter and fattening are generally low, with fluctuations in demand driven mainly by religious festivals e.g. a spike in demand for sheep is often seen during festivals like Eid.

88. To monetise the impacts, in absence of an alternative, we have assumed that businesses receive 15% additional profit from exporting compared to selling domestically. We assume that the difference in export and domestic sale price is purely profit. The analysis does not make any assumption on the changes to transportation and transaction costs due to lack of data⁶⁷. One stakeholder considered that this is a conservative estimate and that the level of profit is likely to be between 10% - 15%. They highlighted that in terms of product differentiation, live lamb from the UK were sold at a premium in Europe due to the higher quality of the product and high demand for live animals. This we consider justifies a higher margin assumption.

89. The analysis does not make any assumption on the changes to transportation and transaction costs. However, exporting a live animal is likely to be more costly than domestic transport, due to higher transport and admin costs. This difference in transport and transition has not been captured in the analysis, due to lack of data.

90. Based on the modelled reduction in the number of exports, the level of profit, average weight of an animal and slaughter prices, we estimate the loss in profit associated with not being able to export at the higher price. Table 5 outlines the average price per kg of sheep. Using the average weight, the UK average price per animal is calculated. We assume that exporters receive an additional 15% profit from exporting livestock rather than selling it domestically and use this to calculate the export sale price. We have assumed that the difference between export and sale price is purely profit. This estimate does not include the cost of exporting, which includes transport costs and the cost of filling out journey logs and export health certificates. How costs

⁶⁶ [EU deadweight sheep prices | AHDB](#) and [GB deadweight sheep prices | AHDB](#)

⁶⁷ Transport cost include cost in transporting livestock to a third country and involves cost in transporting livestock to a port and Ferry cost. Transition cost involve cost of completing journey logs and export health certificates for each consignment.

are allocated and paid along value chain has not been factored in due to the difference in price being purely profit.

Table 5: Average deadweight slaughter prices, central scenario (Assumed 15% profit) 2020

Species	UK average value per kg (2020, £)	Average weight (kg)	UK average price per animal	Assumed level of profit	Assumed export sale price	Assumed profit
Sheep	£4.79	19	£93	15%	£107	£14

Source: [Agriculture and Horticulture Development Board \(AHDB\) pocketbook](#), internal modelling (prices might be slightly different to those calculated using figures in the table due to rounding)

91. The total loss of profit due to the reduced exports is calculated by taking the total number of animals no longer being exported (table 4) and multiplying this by the loss profit. For example, if we are no longer able to export 5,000 sheep for slaughter and the additional profit they receive from exporting sheep is £14 per sheep, the monetised loss would be $(5,000 * £14) = £70,000$.

92. As a major source of lost profits to businesses, we have varied the profit level in the sensitivity analysis, with the low and high scenarios of 5% and 25%⁶⁸ respectively. This range has been adjusted following the consultation, to capture the level of uncertainty around this assumption, and the lack of information through the consultation on whether the 15% assumption in the central scenario is realistic.

Costs and Benefits

Table 6: Direct and indirect Impacts, 2020 prices, discounted to 2021 for period 2021-2030

Direct and indirect impacts	Total £m
Reduced volume of exports	5.2
Familiarisation cost to businesses	0.06
Admin cost to exporters	1.0
Familiarisation cost to APHA	0.00008
On-going enforcement cost	2.1
Animal welfare benefits	Not monetised
Total NPV over 10-year period	-8.4

Costs

Direct Costs

Lost profit from reduced volume of exports

93. This policy option would only impact a small number of export journey types. We would expect the impact to fall on sheep journeys. According to 2020 data from the EU's TRACES⁶⁹, around 6,300 sheep were exported for slaughter (it terms of scale it represents 0.02% of livestock slaughtered in the UK) and around 38,000 were exported for fattening to the EU. This accounts for 58% of exports of livestock and equine (around 77,000 exports in total of livestock and equine). These exports would completely stop under this option. As highlighted earlier, these estimates include self-reporting journeys that cannot be verified by

⁶⁸ This range is not based on any evidence and has been chosen to reflect the level of uncertainty around the assumption.

⁶⁹ 2020 EU Traces Data. This data is not in the public domain

APHA, and therefore the number of exports for slaughter and fattening is an overestimate. It is not possible to determine from the data which journeys are valid journeys and therefore no proportions on how much of the data is correct has been applied.

94. There were no cattle, equines or pigs exported for slaughter or for fattening in 2020⁷⁰. The number of goats exported for fattening in 2020 was negligible, and therefore has not been captured in the analysis. Similarly journeys for breeding, production, other reasons, and all poultry journeys would still be permitted under this policy.
95. It has been assumed that future trade levels will be equal to a rolling average of the previous five-year period, starting from 2016-2020. Using the modelled reduction in exports and the level of profit, we estimate the lost profit from this reduced trade to be around £5.2m across the 10-year appraisal period (2021-2030), around £0.5m per annum.

Familiarisation costs

96. We expect the prohibition to have a minimal impact on those exporting for reasons still permitted under this policy. Organisers of export journeys will need to familiarise themselves with the new guidance on what evidence will need to be submitted as part of the journey log approval process. Data gathered from the journey log registers held by APHA indicated that in 2020⁷¹ there were 172 organisers exporting cattle, sheep, pigs, goats and unregistered equines for slaughter, fattening, breeding, production or other purposes.
97. Organisers who conduct journeys below 8 hours will also need to familiarise themselves with the journey log process as they will now be required to submit journey logs. As journey logs for these journeys are currently not required, data on the number of organisers is not available. To calculate the cost to these organisers, we have used the number of consignments that will be submitted as a proxy. This assumes that each consignment will be submitted by a unique organiser. This is likely to be a significant overestimate as for journeys over 8 hours, 172 organisers submitted 7,427 number of journey logs⁷². In addition, 2019 data from the Annual Business Survey (ABS) indicates that there are 486⁷³ businesses in wholesale of live animals. Whilst this estimate captures a range of businesses not just those transporting live animals for exports, this indicates that number of businesses involved in this trade is well below the estimate used to calculate this cost. This estimate would also not capture the fact that organisers currently submitting journey logs for journeys over 8 hours may also be conducting journeys less than 8 hours. As a result, the familiarisation cost to these organisers has been monetised but is a significant overestimate, and results in 4,380⁷⁴ organisers having to familiarise themselves with the new guidance.
98. We have assumed it will take on average 1 hour per exporter, per journey log at a wage of £13.42 per hour⁷⁵ to gather the evidence although this may vary between organisers. The time taken for exporters to familiarise with the guidance has been discussed with stakeholders and we will be engaging with them further on details regarding implementation and will account for any revisions or additions to the estimated impact. This results in a familiarisation cost of £58,778 in the first year. As highlighted earlier, the impact of EU exit has meant that exporters would need to complete additional forms required by the EU to export livestock, therefore it is likely that the UK journey logs are not recognised by the EU and anyone wishing to export livestock or equines

⁷⁰ The number of livestock exports for slaughter and fattening have been falling in recent years, with no export for pigs for slaughter and fattening in the last 3 years and no calf exports from Great Britain since 2019.

⁷¹ 2020 data from journey logs held by APHA. This data is not in the public domain

⁷² EU Traces Data. Not in the public domain.

⁷³ SIC code 46.23.

⁷⁴ This includes 172 transporters that export livestock where journey is more than 8 hours. There are on average 4,208 consignments for journeys less than 8 hours.

⁷⁵ The ONS ASHE 2020 reports the median hourly wage for staff in the 'Transport and mobile machine drivers and operatives' is £11.00. This figure has been uplifted by 22% to account for non-wage labour costs.

from Great Britain to the EU now needs to have EU documentation as well as Great Britain documentation. The overall effect of this is that the numbers of exporters is likely to have been further reduced as all exporters captured in the current estimates are unlikely to apply or obtain EU type 2 authorisations in addition to Great Britain type 1 authorisation. Therefore, it is likely that the number of organisers captured is an overestimate.

Admin costs

99. For journeys which are not prohibited by this policy, exporters will need to submit journey logs to APHA for journeys that currently do not require a journey log (journeys that are less than 8 hours and are currently self-reported).
100. As the analysis assumes that future trade levels will be equal to a rolling average of the previous five-year period, the number of consignments⁷⁶ from Great Britain from 2016-2020 has been used. As number of journey logs for these journeys do not exist, we have used number of consignments as a proxy, therefore, assuming that each consignment will result in a journey log needing to be submitted to APHA. This is an overestimate as some journey logs will include a number of consignments, but as these journeys currently do not require journey logs, data on how many consignments would be exported under a single journey log is not available. We have assumed it will take on average 1 hour per exporter, per journey log at a wage of £12.75 per hour⁷⁷ to submit a journey log to APHA, however will vary depending on the number of consignments per journey log. The time taken to submit a journey log has been discussed with stakeholders and we will be engaging with them further on details regarding implementation and will account for any revisions or additions to the estimated impact.

Table 7: Cost per annum to exporters for submitting journey logs for journeys less than 8 hours

Average number of consignments that would need to be submitted (excluding fattening and slaughter)	Time taken	Wage per hour	Average cost per annum
4,117	1 hour	£12.75	£52,492

101. This indicates that the cost in submitting a journey log for journeys that currently do not require one, could cost exporters on average £52,492 per annum.
102. For journeys which are not prohibited by this policy, exporters will have to provide evidence to APHA substantiating the purpose of the journey as part of the journey log approval process. From engagement with stakeholders we are aware that commercial ferry companies that are used to transport animals for non-slaughter or fattening purposes, such as breeding, typically have policies to not transport animals if they are intended for slaughter or to be fattened for slaughter⁷⁸. Therefore, some operators require some form of check on the purpose of the journey before the export can commence. For example, P&O Ferries require exporters to provide a self-declaration when applying for the export route via the relevant breeding association that the animal is intended to be transported for breeding purposes. Equally on the Cairnryan to Larne route, P&O Ferries have previously used the stated purpose on the export health certificate as a check on the purpose of the journey. Although we assume that for a significant majority of exports of animals for permitted purposes declarations of this type are carried out, this process is

⁷⁶ Data provided by APHA.

⁷⁷ The ONS ASHE 2020 reports the median hourly wage for staff in the 'Skilled agricultural and related trades' is £10.45. This figure has been uplifted by 22% to account for non-wage labour costs.

⁷⁸ For example, P&O Ferries state that they 'will not import/export any livestock intended for fattening or slaughter other than on our Larne/Cairnryan route where the livestock is to remain within the United Kingdom. If you wish to ship cattle, pigs or sheep, you must book via the relevant national associations'

not likely to replicate the new process that will be introduced to enforce the prohibition. Exporters are likely to be required to provide further evidence substantiating the purpose of journeys under new rules; thus, will need to spend time collating evidence that was not previously sought, which will be an additional cost. The Government will be issuing guidance on acceptable forms of evidence for permitted journeys before the prohibition enters into force and will be engaging with stakeholders, including ferry companies, on further details of the implementation of the new export system before the prohibition enters into force. We will account for any revisions to the above assumptions on the type of evidence currently provided by exporters.

103. As the analysis assumes that future trade levels will be equal to a rolling average of the previous five-year period, the number of journey logs⁷⁹ capturing journeys from Great Britain from 2016-2020 has been used. This includes journeys that have been self-reported to APHA and are not verified. Given the lack of data on the number of businesses already providing this evidence, for indicative purposes, we have assumed that all exporters submitting journey logs will need to gather further evidence. This could be an overestimate, but it is unclear what proportion of exporters provide evidence that is likely to be similar to what is introduced in the new system. As a result, we have assumed all exporters would need to spend time in gathering this evidence to substantiate the journey. We have assumed it will take on average 1 hour per exporter, per journey log at a wage of £12.75 per hour⁸⁰ to gather the evidence although this may vary between organisers. The time taken has been discussed with stakeholders and we will be engaging with them further on details regarding implementation and will account for any revisions or additions to the estimated impact.

104. This indicates that the cost in collating additional evidence, could cost exporters on average £67,256 per annum.

Table 8: Cost per annum to exporters for providing additional evidence as part of the journey log

Average number of journey logs (excluding fattening and slaughter)	Proportion of journey logs that need to provide additional evidence	Time taken	Wage per hour	Average cost per annum
5,275	100%	1 hour	£12.75	£67,256

105. The Government will be working closely with the industry on the implementation of this policy, including determining the type of evidence required from those wishing to export animals on permitted journeys, and producing detailed guidance on the application process to aid organisers.

Enforcement costs

106. This policy will have an impact on APHA, who are responsible for approving journey logs, and who will review the evidence submitted as part of the journey log, for all exports once this ban is in place. Journeys captured under this option include those that currently are required to have journey logs and those journeys less than 8 hours which currently do not require a journey log. Additionally, under this option the requirement for a journey log will be extended to all journeys between Great Britain and third countries regardless of duration.

⁷⁹ Data provided by APHA.

⁸⁰ The ONS ASHE 2020 reports the median hourly wage for staff in the 'Skilled agricultural and related trades' is £10.45. This figure has been uplifted by 22% to account for non-wage labour costs.

107. Officials will need to spend additional time familiarising themselves with the new process, which would incur a cost. We have assumed it will take officials 1 hour to familiarise themselves with the guidance⁸¹, at a wage of £15.91⁸² per hour. The time taken for officials to familiarise themselves with guidance is based on discussions with APHA. There are currently 5 officials reviewing journey log applications at APHA, leading to a familiarisation cost of £80.
108. There will also be an operating cost to APHA, in reviewing the evidence submitted as part of the journey log approval process. As the analysis assumes that future trade levels will be equal to a rolling average of the previous five-year period, the number of journey logs⁸³ capturing journeys from Great Britain from 2016-2020 has been used. Journeys less than 8 hours, that are currently self-reported and not verified, have been included. Given journey logs for these journeys are not required, we have assumed that each consignment will result in a journey log being submitted to APHA. This is an overestimate as journey logs may include a number of consignments but given the lack of data this proxy has been used. In addition, APHA will need to review additional evidence from import journey logs that are less than 8 hours.
109. APHA has indicated that it would take officials an additional 30 minutes to review the evidence submitted. Assuming an hourly wage of £15.91⁸⁴, the annual enforcement cost of reviewing additional evidence as part of the journey logs would be £56,391, and £486,000 across the 10-year appraisal period.

Table 9: Cost per annum to APHA for reviewing additional evidence as part of the journey log

Average number of journey logs (excluding fattening and slaughter)	Time taken	Wage per hour	Average cost per annum
7,089	30 minutes	£15.91	£56,391

110. In addition, under this policy APHA will be required to review journey logs of journeys that are less than 8 hours between Great Britain and third countries (both exports and imports). APHA has indicated that it would take officials 2 hours to review each journey log. Assuming an hourly wage of £15.91⁸⁵, the annual enforcement cost of reviewing these journey logs would be £190,653 and £1.6m across the 10-year appraisal period.

Table 10: Cost per annum to APHA for reviewing journey log for journeys less than 8 hours

Average number of journey logs (excluding fattening and slaughter)	Time taken	Wage per hour	Average cost per annum
5,992	2 hours	£15.91	£190,653

⁸¹ This guidance will include the process for reviewing evidence accompanying export journey logs, as well as the requirement to review journey logs for export and import journeys less than 8 hour.

⁸² The Office of National Statistics (ONS) Annual Survey of Hours and Earnings (ASHE) 2020 reports the median hourly wage for an administrative role in government is £13.04. This figure has been uplifted by 22% to account for non-wage labour costs.

⁸³ Data provided by APHA on journey logs for cattle, goats, pigs and equines.

⁸⁴ The ONS ASHE 2020 reports the median hourly wage for an administrative role in government is £13.04. This figure has been uplifted by 22% to account for non-wage labour costs.

⁸⁵ The ONS ASHE 2020 reports the median hourly wage for an administrative role in government is £13.04. This figure has been uplifted by 22% to account for non-wage labour costs.

Benefits

Direct benefits

111. We expect this policy to improve animal welfare as it will stop animals being exported on journeys that are unnecessary or unnecessarily stressful. As well as the positive impact on the animals themselves, we expect additional societal benefits derived from the incremental improvement in welfare.
112. The benefits of this policy have not been quantified because the value of improved animal welfare due to shorter and less stressful travel is most likely to fall to society (as opposed to final consumers) and it is currently not possible to monetise this value with the available evidence. Further, it is difficult to quantify the extent to which individual animal welfare will improve as a result of this ban as animal welfare is a multi-factorial concept of which transport is only one aspect.
113. Therefore, we do not think that price can be used as a reflection of consumers' WTP for these attributes, as it does not reflect the disutility from the live animal being transported. We also currently do not have a universally accepted framework to categorise different animal welfare outcomes or associated valuations of such outcomes. Whilst WTP literature/research⁸⁶ is available and can be used as a proxy, we do not think its applicable in this instance as the benefits do not derive directly to the final consumers but to the public in the UK who find the transport of livestock for slaughter and fattening objectionable. In addition, whilst there is existing scientific evidence⁸⁷ that has explored linking specific journey times with mortality and morbidity impacts, these are not robust enough to provide the basis to produce quantitative estimates for the benefit to animals.

Indirect benefits

114. We also assume that there would be a very small increase (restrictions affect 0.02% of livestock slaughtered in the UK) in domestic slaughter and fattening activity from the displacement of some animals which would have gone for slaughter and fattening abroad. Any animals no longer being exported will instead be processed domestically. Responses received through the consultation and stakeholder engagement highlighted that there may be displacement of activity where businesses which can no longer export will instead sell their live animals domestically and export the carcass or final meat product instead. However, according to stakeholders, demand for carcass or final meat products in Europe may not be as strong as the demand for livestock and it may not be sold at a similar premium price as livestock currently is. Therefore, some products may be diverted onto the domestic market. As the number of exports impacted by the policy is small, any impact on domestic price would be limited.
115. Recent trends⁸⁸ suggest that the number of abattoirs in England have been falling but numbers of animals being slaughtered has increased year on year as some slaughterhouses have expanded their production. In addition, one stakeholder highlighted that if there is an increase in demand for slaughterhouses domestically, slaughterhouses are likely to expand production further as the increase required would be quite small⁸⁹. This suggests that the current

⁸⁶ The wider literature on WTP suggests that consumers have a higher WTP for attributes that may impact human health than attributes that affect animal welfare. It is also likely that, for some consumers, a proportion of their WTP for welfare enhancing attributes originates from an assumption that higher welfare produce is better for human health. Whilst in some cases this may be correct, it means a high WTP does not necessarily correspond to a strong desire to improve animal welfare. Given these limitations on the current literature on WTP, the metrics have not been used to monetise the welfare benefits.

⁸⁷ FAWC: Opinion on the Welfare of Animals during Transport

⁸⁸ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/955031/welfare-animals-time-of-killing-regs-2015-post-implementation-review.pdf

⁸⁹ In 2020, over 34,000 sheep were exported to the EU for slaughter and fattening.

supply of slaughterhouses is likely to expand production to absorb additional capacity from foregone exports.

116. As export journeys for slaughter and fattening will be prohibited, it is possible that those operators who divert to suitable domestic destinations would see a reduction in the duration of the total journey. As the consultation highlighted, whilst in some cases suitable domestic abattoirs may be further away than the port, the total journey duration for an export consignment would be longer. Shorter journey times could lead to lower fuel and transport costs. This should in turn reduce emissions of harmful pollutants, greenhouse gas emissions and offer small environmental benefits, although we expect the impact of this to be low, given the current number of export journeys.

Direct costs and benefits to business calculations

117. The direct costs have been included in the EANDCB, and only captures the activity occurring in the UK. These include:

- The lost profit from reduced volume of exports;
- Familiarisation cost to businesses (this includes journeys over and less than 8 hours); and
- On-going admin cost in providing additional evidence for journey logs and submitting journey logs.

118. The costs to Government have not been included in these calculations as they are not a direct cost to business. Our assessment of the EANDCB is £0.7m per year in 2019 prices and 2020 present value base year.

Assumptions and Caveats

119. There are a number of key assumptions and caveats that sit behind this IA and analysis. The key assumptions to note are as follows:

- **England, Wales and Scotland journey data** – We have classified any journey that leaves England, Wales and Scotland for the EU as Great Britain to EU journeys. Journeys that go from Great Britain to the Republic of Ireland are captured as direct journeys. Whilst the consultation highlighted that these journeys do occur, the EU TRACES data does not distinguish whether exports have passed through Northern Ireland or have gone directly to Republic of Ireland from Great Britain, and therefore it has not been possible to capture this in the analysis. We further assume that trade between Northern Ireland and the Republic of Ireland will be unaffected by the proposals in this IA. This assumption has been revised since the consultation stage IA as country of origin information is available for 2019 and 2020 data. There are no journeys to non-EU countries from Great Britain for slaughter and fattening, which is why analysis has not focused on Great Britain to non-EU journeys.
- **Baseline trade forecasts** – The analysis assumes that future export levels will be equal to a five-year rolling average of previous trade levels, starting with 2016-2020. These levels are dependent on current trade arrangements and do not factor in changes in trade due to the end of the transition period. Forecasts of future trade levels are not available, and scenarios were not appropriate to use in this instance as trade would be dependent on a number of factors. Whilst it is possible that trade levels may change going forward, the recent decline in export for slaughter and fattening has

been partly due to increasing cost of exporting (transport cost and admin cost), which is unlikely to change going forward. In addition, the lack of available carriers and public concern regarding long export journeys have contributed to this downward trend.

- **Behavioural response** - Rather than completely stopping activity, the proposed option is assumed to prompt a displacement of activity. Responses received through the consultation and stakeholder engagement highlighted that there may be displacement of activity where businesses which can no longer export will instead sell their live animals domestically and export the carcass or final meat product instead. However, stakeholders also highlighted that there may not be a similar level of demand for carcass or final meat products in Europe and may not be sold at a premium price as livestock currently is and as a result may stay in the domestic market. As the number of exports impacted by the policy are small, any impact on domestic price would be limited.
- **Competition** – While associated competition impacts are expected to be small, we are aware of further concerns regarding slaughterhouse competition raised through the consultation. Concerns raised include price control, market being controlled by a handful of large slaughterhouses and barriers to entry. Further analysis and engagement with stakeholders is underway to review these concerns and will be an area that will be kept under review after the implementation of this measure.
- **15% profit**– We have assumed a 15% profit to monetise the loss profit of not being able to export. We were not supplied with any further information on profits through the consultation or through stakeholder engagement. This assumption was tested with stakeholders, and one stakeholder considered that this is a conservative estimate and that the level of profit is likely to be between 10%-15%⁹⁰. Due to the commercially sensitive nature of the data, stakeholders were not able to share any further information. As a result, and in line with the Green Book, we have chosen a conservative estimate. To account for the lack of data and the different varieties of species, quality, breed and destinations, and routes we have explored a 5% and 25% profit level in the sensitivity analysis.
- **Transport and transaction costs** - The analysis does not make any assumption on the changes to transportation and transaction costs. However, exporting a live animal is likely to be more costly than domestic transport, due to higher transport and admin costs. This difference in transport and transition has not been captured in the analysis, due to lack of data.
- **Price changes** – The analysis assumes that both domestic and EU prices will stay constant. In reality, the reductions in exports may cause an over (or under) supply in certain markets. This could have a knock-on effect on prices for consumers. Consultation responses highlighted that domestic prices of livestock may fall due to increase in supply in the UK if carcass and final products stay in the UK rather than being exported to Europe. Consultation responses also highlighted that there is demand for higher quality lamb in Europe, resulting in exporters receiving higher prices, which would be affected by these restrictions. However, without information on how these premium prices compare to domestic prices, it is unclear what the level of impact would be. Domestic slaughterhouses should be able to meet the demand for high quality lamb and still export the final product, however if export demand is for

⁹⁰ The difference average prices between the UK and EU had been considered to calculate the price differential, however, as live animals get a premium compared to slaughtered animals, the difference in price did not capture these premium exporters receive. In addition, one key stakeholder highlighted that exporters get a higher premium for live sheep in Europe due to limited supply, which again would not be covered in the difference in average prices. The additional journey cost per animal was also something that we considered, but data on average cost of a domestic journey is not available, and journey length varies by species and the distance between an abattoir and the farm.

livestock rather than carcass or final products, then there could be an impact on domestic prices. It is difficult to anticipate the impact on domestic prices, however, given the current level of livestock exports, if there is an impact on prices as a result of an increase in supply, we assume it will be minimal. Change in prices could also be limited if there is displacement of activity.

Sensitivities and uncertainties

120. Inputs and assumptions feeding into the cost-benefit analysis in this IA have been informed by the best available evidence, based on existing data, and expert judgement. However, there is an inherent level of uncertainty associated with these assumptions and estimates. This section sets out some of these inputs, assumptions and associated risks, and discusses both their uncertainties and the effect that this could have on our estimated impacts. Where possible and proportionate, sensitivity analysis has been carried out.

121. A significant assumption in the analysis is the assumed behavioural response of farmers and other operators, who are affected by the proposed measures. The analysis assumes that, where businesses are transporting live animals outside of the UK, under the proposed measures they would transfer this activity domestically. For example:

- In the baseline, operator “A” transported and exported 500 sheep for slaughter to the EU. Under the proposed measures, it is assumed they would instead transport to a domestic slaughterhouse and export the final meat products.
- In the baseline, operator “B” transported and exported 100 calves for fattening to the EU. Under the proposed measures, it is assumed they would instead sell their calves domestically.

122. As these restrictions affect 0.02% of livestock slaughtered in the UK, we expect the transport market to be able to adjust to the additional livestock. If the transport market is saturated, it is likely that organisers will displace the less efficient ones.

123. It has been assumed that there would be sufficient demand and capacity to absorb this additional activity. Responses to the consultation did highlight concerns on capacity of domestic slaughterhouses. Furthermore, the Post Implementation Review of the Welfare at the Time of Killing (England) Regulations 2015⁹¹ highlights that since 2015, there has been a clear decrease in the number of slaughterhouses operating in England. Consultation responses indicated that many small abattoirs have found it difficult to invest in the structural requirements needed to maintain and meet the baselines legislative standards which has contributed to the decrease. However, slaughterhouse production has increased with abattoirs becoming larger. Therefore, although the number of abattoirs is declining, stakeholder engagement suggests that the current supply of slaughterhouse capacity should be able to absorb additional animals from foregone exports. The exports that would have been slaughtered domestically make up 0.02% of livestock slaughtered in the UK in 2020. Given the small impact, we can expect the market to be able to absorb this small change.

124. Consultation responses also highlighted concerns as to whether niche markets (such as for fattening) would have enough domestic demand to meet this extra supply. Whilst data is not available on whether there would be sufficient domestic demand and capacity to absorb the additional activity, this will be monitored through stakeholder engagement to identify any strains in the supply chain.

⁹¹ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/955031/welfare-animals-time-of-killing-regs-2015-post-implementation-review.pdf

125. The consultation responses also highlighted that there could be wider economic impacts to farmers. For example, lower profits for some businesses could lead to farmers decreasing investment and/or reducing the number of staff they employ. This could have a negative knock-on impact on the aggregate demand and employment in the sector. Conversely, due to displacement of activity, slaughterhouses in Great Britain could see an increase in activity as businesses who can no longer export will instead sell their live animals domestically and may export the final meat product instead, which could increase employment and investment.
126. These types of wider economic impacts have not been monetised as we do not have sufficient evidence to do this and we do not think it is proportionate in this case, as, given the current low level of live exports, we do not expect the impact to be significant.

Lost profit

127. The key assumption adjusted in the sensitivity analysis is the level of profit. If there is a limited domestic market for these live animals or the average domestic price falls, the impact and cost felt by those affected could be higher than estimated under the central scenario. For our central scenario, we assume a 15% profit level. This is because we assume that a profit will need to have been made in order to choose to export, but as a sensitivity test, we increase this profit level to 25% and lower it to 5% for the high and low scenarios respectively (leading to a bigger and smaller potential losses of profit). The impact on export sale price is outlined in the table below.

Table 11: Value per kg of live export (2020, £)

Species	Low Scenario (5%)	Central Scenario (15%)	High Scenario (25%)
Sheep	£5.03	£5.51	£5.99

Additional export journeys

128. The volume of exports captured under this option includes those that currently are required to have journey logs, which are journeys longer than 8 hours, and export journeys less than 8 hours which are self-reported and are not checked or quality controlled by APHA. Reviewing this data, many destinations are unlikely to be reached in under 8 hours, which is particularly the case for slaughter and fattening journeys within this data. Whilst it is highly probable that journeys within this data set for slaughter or fattening are not likely to have taken less than 8 hours, it is not possible to determine what proportion of this data is correct. As a result, exports that have taken less than 8 hours have not been captured in the low scenario outlined in table 12. The number of goats exported for fattening in 2020 was negligible, and therefore has not been captured in the analysis. Similarly journeys for breeding, production, other reasons, and all poultry journeys would still be permitted under this policy.

Table 12: Low, central and High scenario for slaughter and fattening live exports

Animal	Purpose	Low scenario 2020 exports	Central scenario 2020 exports	High scenario 2020 exports
Cattle	Slaughter	0	0	0
	Fattening	0	0	0
Sheep	Slaughter	4,887	6,272	6,272
	Fattening	29,536	38,111	38,111
Pigs	Slaughter	0	0	0
	Fattening	0	0	0

Equines	Slaughter	0	0	0
	Fattening	0	0	0
Goats	Slaughter	0	0	0
	Fattening	4	4	4

129. Using the prices outlined in table 11 and the volume of exports in table 12, the loss in profit to exporters in the low scenario could be over £1m and in the high scenario could be over £8m across the appraisal period.

Enforcement Cost

130. As outlined earlier, these restrictions will have an impact on APHA, who are responsible for approving journey logs, and who will need to review the evidence submitted as part of the journey log approval process, for all exports once this ban is in place. Journeys less than 8 hours are self-reported and are not checked or quality controlled by APHA and therefore have been captured in the main analysis but have not been captured in the low scenario.

131. The operating cost to APHA, in reviewing the evidence submitted as part of the journey log approval process has been calculated, with these additional journeys that are less than 8 hours not captured in the low scenario. As the analysis assumes that future trade levels will be equal to a rolling average of the previous five-year period, the number of journey logs⁹² capturing journeys from Great Britain from 2016-2020 has been used. This gives an average of 2,907 journey logs per annum.

132. APHA has indicated that it would take officials an additional 30 minutes to review the evidence submitted. Assuming an hourly wage of £15.91⁹³, the annual enforcement cost in the low scenario would be £23,121, and £198,977 across the 10-year appraisal period.

133. The assumptions and data in the low scenario have also been used in the high scenario. This is due to the fact that it is highly probable that journeys within this data set for slaughter or fattening are not likely to have taken less than 8 hours and the overall figures for slaughter and fattening presented in the central scenario are an overestimate.

Net Present Value (NPV)

134. Given the limited evidence, it is unclear which of these situations would occur, but they can give some indication as to the expected outcomes. The table below presents the range of estimates for the NPV for Option 1, as estimated over a 10-year assessment period.

Table 13: NPV over 10-appraisal period

	Net Present Value (NPV)
Low Scenario	-£3.7m
Central Scenario	-£8.4m
High Scenario	-£11.8m

⁹² Self-reported data submitted to EU TRACES. This data is not checked or quality controlled by APHA.

⁹³ The ONS ASHE 2020 reports the median hourly wage for an administrative role in government is £13.04. This figure has been uplifted by 22% to account for non-wage labour costs.

Small and micro business assessment

135. As there is likely to be a direct impact on business, a high-level assessment was undertaken to explore the extent to which small and micro businesses would be affected. In general, the farming and agricultural sector tends to be dominated by small and micro business. In many cases, with the farm being run by the farmer, immediate family and often a handful of hired farm workers. The 2020 business population estimate publication⁹⁴, produced by the Department for Business, Energy and Industrial Strategy (BEIS), estimated that almost 80% of businesses in the agricultural sector in the UK had one employee or fewer – with 93% of businesses employing fewer than five people.
136. The livestock sub-sector shows a similar pattern to the wider agricultural sector. Table 14 shows data from the Farm Business Survey (FBS) on the number of farm businesses by type and size of business. The size of farm is defined by the standard labour requirement needed to manage each farm⁹⁵. This suggests that the majority of livestock holdings tend to be relatively small – with around 70% of all livestock holdings requiring less than 3 Full-Time Equivalent (FTE) in standard labour requirements. This aligns with the general trend in the farming sector, where the majority of holdings tend to be small or micro-sized, with few employees.

Table 14: Farm Business Survey 2018/19: Sample Characteristics - England by size groups

Number of businesses at June 2018 survey	Part-Time/Very small	Small	Medium	Large	All Sizes
Cereals	6,965	3,379	1,545	2,100	13,989
General Cropping	1,998	1,184	801	1,928	5,911
Dairy		738	908	4,193	5,839
Grazing Livestock (Lowland)	5,883	3,799	1,474	1,635	12,791
Grazing Livestock (Less Favoured Area)	2,886	1,865	951	1,226	6,928
Specialist Pigs	366	217	177	578	1,338
Specialist Poultry	443	253	152	725	1,573
Mixed	2,087	1,353	872	1,691	6,003
Horticulture	733	563	313	1,143	2,752
All Types	21,525	13,187	7,193	15,219	57,124

Source: Table K, Farm Accounts in England Results from the Farm Business Survey 2018/19

137. Table 15 shows the average farm business income (net profit) of farms by farm type and size, from the FBS. This suggests that, as expected, farm business income generally increases as the farm size increases (with the exception of specialist pigs and poultry farmers from small to medium).

Table 15: Farm Business Income (Net Profit) by Farm Type and Size, England, 2018/19

£ per Farm	Part-Time	Small	Medium	Large	All Sizes
Cereals	29,000	80,600	105,400	229,500	67,300
General Cropping	20,900	70,800	86,300	242,600	106,400
Dairy		17,100	32,300	93,300	79,700
Grazing Livestock (Lowland)	7,700	8,800	16,800	33,300	12,500
Grazing Livestock (Less Favoured Area)	2,400	7,300	16,100	48,100	15,500

⁹⁴ BEIS Business Population Estimates 2020. Available here: <https://www.gov.uk/government/statistics/business-population-estimates-2020>

⁹⁵ Very small = less than 1 FTE (part-time), small = between 1 and 2 FTE, medium = between 2 and 3 FTE and large = 3 or more FTE

Specialist Pigs	15,700	36,900	22,900	45,100	29,600
Specialist Poultry	20,600	44,600	26,700	135,800	74,700
Mixed	21,000	16,700	39,400	96,200	45,500
Horticulture	10,500	26,900	41,600	96,100	52,100
All Types	18,800	28,300	46,500	115,900	50,400

Source: Farm Business Survey, Farm Business Income Table 3.1

138. While the average farm business income is relatively small, the total gross output from livestock farming was estimated at £6.3bn in 2019⁹⁶. The estimated annual net costs of the proposed measures (£0.7m) are relatively small in comparison. These costs are likely to fall disproportionately on small and micro enterprise (SME) businesses, as defined by BEIS, and largely on businesses exporting sheep, given the recent trade data. As the benefits of this policy are not monetised, it is not possible to estimate the outcome of the policy if SMEs were excluded. BEIS estimates⁹⁷ show that 99% of businesses in the agriculture sector are classified as SMEs. Therefore, we assume that the cost to SMBs will be £8.4m over the appraisal period. If these businesses were exempt from the policy, the NPV of the proposed measures will be less than - £78,800 over the appraisal period.
139. Whilst including an SME exemption will be less burdensome on businesses, given that the vast majority of the farming sector is made up of micro and small businesses, exempting all SMEs from the proposed policy is not feasible since it would not allow us to deliver the policy objective. However, the Government will be working closely with the industry and APHA on developing guidance on which journeys are permitted under this policy and what further evidence is required to substantiate the journey purpose. Furthermore, given the policy objectives previously explained, adopting a policy option that was voluntary in nature would have been ineffective in achieving the desired policy outcomes.

Post implementation review

140. The Government will undertake a post implementation review of whether a ban on live animal exports for slaughter and fattening has achieved its expected objectives of improving the welfare of animals that would otherwise have been exported for slaughter or fattening (this will be measured through a reduction in the number of export journeys for slaughter or fattening) and to ensure this is achieved in a proportionate way in which minimises as far as possible the administrative impact on transporters, organisers of journeys, businesses and the Government.
141. The exact methodology for the review will be determined after a scoping phase, exploring the options for conducting a proportionate evaluation, by monitoring the change in the number of export journeys for slaughter and fattening which would stop and engaging with stakeholders to assess the impacts on domestic slaughterhouses and its capacity. In addition, we will engage with key stakeholders to assess the policy overall, identify any unintended consequences, get an indication of the business and trade impacts, and examine the effectiveness and efficiency of the new system.
142. While associated competition impacts are expected to be small, we are aware of further concerns regarding slaughterhouse competition raised through the consultation. Concerns raised include price control, market being controlled by a handful of large slaughterhouses and barriers to entry. Further analysis and engagement with stakeholders is underway to review these concerns and will be an area that will be kept under review after the implementation of this measure.

⁹⁶ <https://www.gov.uk/government/statistics/total-income-from-farming-in-england> - Total income from Farming in England

⁹⁷ <https://www.gov.uk/government/statistics/business-population-estimates-2020>

143. It is envisaged that the post-implementation review will be completed five years after implementation of the policy. The design of the review will be informed by relevant sources of guidance such as HMT's Magenta Book. Quality assurance will be provided through the Government's analytical quality assurance process.

Annex A – Competition assessment

144. The competition assessment guidelines⁹⁸ set out four questions to establish whether a proposed policy is likely to have an effect on competition. In particular, the assessments need to establish whether the proposed policies would affect the market by:

- Will the measure directly or indirectly limit the number or range of suppliers?
- Will the measure limit the ability of suppliers to compete?
- Will the measure reduce suppliers' incentives to compete vigorously?
- Will the measure limit the choice and information available to consumers?

A brief summary of the four questions are presented in Table 16.

Table 16: High-level stage 1 assessment of the competition assessment

Question	Response
Q1a...Will the measure directly limit the number or range of suppliers?	This proposal has no explicit limit on the number of businesses that can operate in the market.
Q1b...Will the measure indirectly limit the number or range of suppliers?	The costs to individual businesses will be dependent on their current levels of exports that are restricted by this proposal. These costs are unlikely to be high for individual businesses as its been assumed there will be displacement of activity.
Q2...Will the measure limit the ability of suppliers to compete?	The proposals will not limit businesses' ability to compete on quality, geographical location, price, advertisement or other grounds on which businesses frequently compete. Associated competition impacts are expected to be small, although there may be niche markets (such as for fattening) where the impacts could be more significant.
Q3...Will the measure reduce suppliers' incentives to compete vigorously?	The proposal does not exempt suppliers from general competition law, introduce or amend intellectual property regime or increase the costs to customers of switching between suppliers.
Q4...Will measure limit the choice and information available to consumers?	The proposal does not limit the choice and information available to customers.

⁹⁸https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/460784/Competition_impact_assessment_Part_1_-_overview.pdf

145. The consultation responses did not provide any further evidence around the competition impacts, although concerns regarding competition were raised. This will be an area that will be kept under review after the implementation of this measure.

Annex B – Trade Test

146. The trade and investment test aims to establish whether a policy is likely to have an impact on trade and investment⁹⁹.

147. This policy is likely to mainly impact the trade of live animals for slaughter and fattening from Great Britain to EU. The current volumes of live animals exported for slaughter and fattening from Great Britain are minimal (in comparison to total volumes of live animal trade for all purposes between Great Britain and EU) as set out in Table 3 and 4.

148. We therefore expect this impact to be insignificant in the long run.

⁹⁹https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/923708/RPC_case_histories_trade_and_investment_Oct_20.pdf