



Q&A - SHEEP ELECTRONIC IDENTIFICATION (EID) CPRCs & RECORD KEEPING TOLERANCE

BACKGROUND.....	2
CENTRAL POINT RECORDING CENTRES - CPRCs	3
Q1. What are CPRCs?	3
Q2. What tag/ID information must keepers record in their holding/flock register?	3
Q3. Do sheep keepers have to use a CPRC recording service when they move EID sheep?	3
Q4. How does a keeper elect to use a market's CPRC service?	3
Q5. What must the keeper do with his CPRC data?	3
Q6. What if the CPRC data is incomplete?	4
Q7. What are the benefits to keepers of using a CPRC service?	4
Q8. How can I find out which markets are CPRCs?	4
SHEEP & GOAT ID CROSS COMPLIANCE INSPECTIONS	5
Q9. What is the purpose of these inspections?	5
Q10. Do all keepers get inspected?	5
Q11. What does an inspector examine during an inspection?	5
Q12. What happens when a keeper 'fails' an inspection?	5
Q13. How many English keepers had (<i>any type of</i>) inspection failings in 2011?	5
CPRC TOLERANCE? - COST BENEFIT ISSUES	6
Q14. What is a CPRC Record Keeping 'Tolerance'?	6
Q15. What options for tolerance have been considered by DEFRA?	6
Q16. Why is a tolerance not being granted for sheep ID inspections?	6
Q17. How many English keepers had <i>CPRC (only) related</i> cross compliance failures in 2011?	7
Q18. How much SFP would they have avoided losing if they had been granted a tolerance?	7
FUTURE OPTIONS AND NEXT STEPS.....	7
Q19. Will a tolerance be implemented in future?	7
Q20. Will the planned movement e-reporting service facilitate a future tolerance?	7
Q21. When might that service be operational?	7
Q22. What can keepers do to minimise the risk of incomplete reads at CPRCs?	8
Q23. Are the UK Devolved Administrations allowing a tolerance?	8

BACKGROUND

Keepers moving individually electronically identified sheep must record their individual tag numbers in their holding register and on movement documents.

They can read and record their individual EID tag numbers themselves as they move off their holdings *or* use a CPRC/market to read them electronically on their behalf and provide a list for the keeper's records.

Some 2-3 million batches of sheep are moved per annum. It will not be possible for CPRCs to always read every tag so a keeper may find on occasion that the individual animal information they provide is incomplete.

In compliance with EU Law the Rural Payments Agency inspects 3% of sheep and goat holdings annually to monitor compliance with the sheep ID and recording rules.

Where animals' individual EID tag numbers are not recorded at all or are recorded inaccurately in holding registers, keepers run a risk of a cross compliance reduction to their Single Farm Payment (SFP) if that is found during an inspection.

Due to this risk, industry representatives asked Defra to consider allowing a record keeping tolerance for keepers when individual animal details are recorded on their behalf by CPRCs.

Defra is sympathetic to these concerns but has not found the evidence to support the perception that a large numbers of keepers will see their SFP reduced as a result of incomplete EID tag information being provided by CPRCs.

From 1,762 sheep inspections carried out in England in 2011 only 7 keepers were had breaches solely due to failure to read tags at CPRCs. Of those only 5 would have benefitted from an EID record keeping tolerance.

The total value of SFP reductions industry would have avoided was estimated at £2,680.

Conversely, if Defra applied a tolerance and the EU Commission did not accept the arguments for it Defra could be faced with a future disallowance bill of up to £9.3M.

Ministers were therefore not persuaded that the small overall benefit to keepers justifies introducing an EID record keeping tolerance in England, and a tolerance will not be permitted for inspections. Defra will keep this under review.

This decision was announced as part of the Government's response to the Farming Regulation Task Force's report published on 21st February. (The report had made a number of recommendations on movement reporting of farmed livestock).

A detailed Q&A on this issue follows below.

CENTRAL POINT RECORDING CENTRES - CPRCs

Q1. What are CPRCs?

Sites - at present mostly livestock markets - specifically approved to scan the electronic tags of sheep and send a list of their individual tag numbers back to the keeper. (Defra proposed and persuaded the EU to accept the CPRC facility).

Q2. What tag/ID information must keepers record in their holding/flock register?

Keepers are required by law to record the individual tag numbers of sheep that have been individually electronically identified in the movement section of the holding register for their holding when they move them out of their business/keepership – e.g. when they sell them through a market.

Q3. Do sheep keepers have to use a CPRC recording service when they move EID sheep?

No. The law says what information they have to record in their holding registers; it does not dictate how they do it.

For some keepers recording ID numbers manually is not a problem as they may only move small numbers of sheep periodically. For many others who move large numbers of sheep it makes sense to get the CPRC to do that for them. The requirement is for the individual numbers to be added to their holding register within 48 hours of the off-farm move.

The CPRC service is a commercial service. Keepers are not obliged to use it, and markets are not obliged to provide it (although most markets do because they wish to assist their customers).

Q4. How does a keeper elect to use a market's CPRC service?

Not all markets are CPRCs so a keeper must check that the market he is using provides this service. If it does he simply ticks the CPRC box on the AML1 movement document that must accompany each batch of sheep they move, and enter on it the total number of sheep they are moving. The CPRC will then scan the batch of sheep's' EID tags and provide the keeper with a list of those scanned numbers, with the sales receipt, or later through the post.

Q5. What must the keeper do with his CPRC data?

Within 48 hours of the off farm move that information must be added by the keeper to his records (i.e. kept with his copy of the off farm AML1 movement document). That updated movement document can also be used by him to meet the requirement to record the EID numbers in his holding register.

This enables the keeper to confirm that the same number of animals went through the market that he declared on his outgoing AML1 movement document.

Q6. What if the CPRC data is incomplete?

The keeper is responsible for the accuracy of his records including where he decides to use information supplied by a CPRC (a commercial service) to complete them. EU legislation does not provide for a tolerance of discrepancies in animal identity record keeping in the holding register. Discrepancies should therefore be rectified.

CPRCs should monitor their EID reading with a view to maintaining and improving high standards of accuracy. While they will endeavour to provide the best service they can for their keeper customers they do not guarantee a 100% read rate for every batch of sheep they may be sent (there can be factors beyond their control that may affect that). That should be clear in their CPRC service terms and conditions for keepers or other information they may provide them.

The CPRC list of EID tag numbers can be in numerical order and with a total. It is the keeper's responsibility to check that the total number of tags listed on the CPRC list matches the total which he entered on to his AML1 movement form when he sent the animals to market.

If there is a discrepancy e.g. the keeper recorded on his AML1 that he sent 100 animals but he has received a list of 99 EID numbers from the CPRC he should try to resolve that discrepancy in his records. (This may be simple enough to do where for example he has sent a group of animals with consecutive tag numbers).

If he does not note and resolve a discrepancy and if that is subsequently noticed at an inspection the keeper is then at risk of having his single farm payment reduced under cross compliance rules.

Following discussions with the Commission and analyses of record keeping data from English inspections Defra has not been able to agree a records keeping tolerance for the use of CPRC data (this is explained in more detail in the following sections on inspections and tolerance).

Q7. What are the benefits to keepers of using a CPRC service?

Notwithstanding issues over a record keeping tolerance, using CPRCs means keepers avoid having to purchase their own EID reading equipment in order to record individual EID sheep identities when they move out of a keeper's business.

This saves keepers (UK) £7-20m per annum.

These savings are significantly higher than potential reductions to keeper's single farm payments from CPRC data that may be incomplete.

Q8. How can I find out which markets are CPRCs?

The Animal Health & Veterinary Laboratories Agency (AHVLA) is the approval body for CPRCs. A list of approved CPRCs is published on their website at: <http://animalhealth.defra.gov.uk/about/premises/sheep-EID-cprc.htm> .

SHEEP & GOAT ID CROSS COMPLIANCE INSPECTIONS

Q9. What is the purpose of these inspections?

To check that keepers are complying with the rules on sheep identification and recording. Results have to be reported annually to the EU Commission. If a Member State does not have an enforcement regime in place including sanctions for non-compliance they can be subject to infraction proceedings and significant disallowance fines.

Q10. Do all keepers get inspected?

No. In England the Rural Payments Agency (RPA) inspects 3% of keepers (covering 5% of the English national flock). These targets are prescribed in EU law. Keepers are randomly selected using a risk-based protocol. Inspections are unannounced. In exceptional circumstances notice can be given.

Q11. What does an inspector examine during an inspection?

The RPA inspector will focus on (correct) tagging and (accurate) on farm records. The requirements are included in SMR 8 (Statutory Management Requirement 8) which is set out in the cross compliance handbook RPA send to every keeper and is published online at.

<http://rpa.defra.gov.uk/rpa/index.nsf/293a8949ec0ba26d80256f65003bc4f7/f55897de470c4b0d802573aa00549a50!OpenDocument>

Q12. What happens when a keeper 'fails' an inspection?

Action can range from a warning letter through to a 5% reduction being applied to the Single Payment Scheme money claimed by the keeper before it is paid out. For repeat failures greater reductions can be applied.

Q13. How many English keepers had (*any type of*) inspection failings in 2011?

From 1,762 inspections on sheep/goat holdings last year approximately 170 inspections had failures related to breaches of SMR8. (The most common failure in recent years has been inaccurate movement records in the keeper's holding register).

Confirmed data for 2011 inspections (all species / schemes SMRs) will be published by the RPA by mid-March and will be available on their website at:

<http://rpa.defra.gov.uk/rpa/index.nsf/UIMenu/9B27CED347D543A58025721B003EC086?Opendocument>

CPRC TOLERANCE? - COST BENEFIT ISSUES

Q14. What is a CPRC Record Keeping 'Tolerance'?

A tolerance would mean that an *inspected* keeper would not be penalised if the CPRC EID tag data he had used to complete his holding register was incomplete (within limits).

Q15. What options for tolerance have been considered by DEFRA?

In discussions with Departments of the EU Commission Defra looked at the following two options:

- a) *Not penalising a keeper if omissions in EID tag data weren't excessive and the keeper was compliant with the other requirements of SMR 8.*

The Commission did not accept this as they insisted that keepers were required by EU legislation to rectify missing tag data.

- b) *Not penalising a keeper if the discrepant EID read rate in his holding register improved at a subsequent inspection - and - was equal to or **greater than** the average read rate of his CPRC market*

This would avoid keepers tracking any/all missing tag numbers from their CPRC tag list after they had sold their sheep.

The Commission did not object to this but said any consequent cross compliance sanction regime would be up to UK competent authorities to construct and not be subject to any prior approval at EU level. Defra would not know that if it was compliant with EU rules until a future audit. If it were not DEFRA would be at risk of a disallowance fine of several millions.

Q16. Why is a tolerance not being granted for sheep ID inspections?

Defra looked at implementing tolerance option (b) (above) using:

- data from 2011 inspections to see how many keepers had incomplete CPRC EID tag data, and their %s of missing tag numbers, and
- (statistically significant) data from selected markets' sales of EID sheep gave a national average CPRC EID tag read rate for 2011 of 97.3%.

This analysis demonstrated that the benefit to industry in reductions that keepers would avoid to their Single Farm Payments was very significantly outweighed by the costs and financial risks to Defra of operating it (Qs 17-18 below).

There is therefore no clear evidence to support the perception amongst many in the sheep farming community that a large number of keepers will see their SFP reduced as a result of incomplete information being supplied to them by CPRCs.

Q17. How many English keepers had *CPRC (only) related cross compliance failures in 2011?*

- Seven (7) from 1,762 inspections.
- Of these only five (5) would have benefited from an EID tag data record keeping tolerance as described above.

Q18. How much SFP would they have avoided losing if they had been granted a tolerance?

The five (5) keepers who would have benefited from an EID tag data record keeping tolerance in 2011, as described above, would have avoided losing an estimated £2,680 (in total) in reductions to their SFP.

FUTURE OPTIONS AND NEXT STEPS

Q19. Will a tolerance be implemented in future?

There are no plans to implement a tolerance. Ministers have however agreed that the issue is kept under review.

Q20. Will the planned movement e-reporting service facilitate a future tolerance?

There are no plans to apply a tolerance. If and when the planned electronic movement reporting service takes effect it may provide for the majority of movements to be confirmed by electronic means (for example moves through high volume premises such as markets). It would be underpinned by a database that could record individual animal movement data, operated by a single commercial service provider. Should this position change, that service may make it easier to calculate more reliable market specific read rates. That may make a tolerance based approach to inspections less likely to be challenged at future EU audits.

Q21. When might that service be operational?

It is difficult to say. When the current procurement exercise is complete we will know what the costs for the proposed new arrangements will be. Subject to there being a robust business case for the new arrangements we anticipate that a contract may be awarded by the end of this year. The final delivery date of the new arrangements will very much depend on how long the potential service provider needs to get an e-reporting service and underpinning database fully operational.

Q22. What can keepers do to minimise the risk of incomplete reads at CPRCs?

To reduce the risk of incomplete EID read data through damaged/lost tags keepers should follow best tagging practice as set out in DEFRA's sheep/goat ID handbook¹ including tagging at a suitable time of the year (to avoid fly strike and infections), disinfecting equipment, using tags appropriate to the animal's size/age, and using the appropriate applicators as advised by tag suppliers.

Alternatively keepers may choose to read individual numbers themselves either manually or using EID reading equipment before animals move off the holding. This is a commercial decision for keepers to make.

Q23. Are the UK Devolved Administrations allowing a tolerance?

Welsh Government No. They have determined that no Welsh keeper would have benefitted in 2011 from a limited tolerance as described above.

N.I. Government No. They require 100% accuracy. They are recording tag data on their APHIS database from EID animals passing through CPRCs and requiring exception management processes at CPRCs to manually capture and upload unread EID tag numbers.

Scottish Government In specific circumstances.
They will tolerate EID tag reading discrepancies for animals moving from a farm to a CPRC where the tags should be recorded on its ScotEID database which SG say facilitates tracing of unread tags (i.e. at future moves through CPRCs) (and providing the keeper complies with other elements of SMR8 - cross compliance rules).
They are looking also at granting a limited tolerance for discrepant data for moves *from* a CPRC to a farm.

¹ <http://www.defra.gov.uk/publications/files/pb13327-sheeps-goats-guidance-091209.pdf> (Annex A)