COUNTRY LAND AND BUSINESS ASSOCIATION

RESPONSE TO THE NATIONAL AUDIT OFFICE QUESTIONS ON THE FMD OUTBREAK

1. The Country Land and Business Association (CLA) represents some 46 000 members comprising farmers and other rural businesses. We have therefore been directly concerned by the impact of the current foot and mouth disease (FMD) outbreak on agriculture and the wider rural economy.

2. The CLA thus welcomes the opportunity to submit comments to the National Audit Office (NAO) study on the handling of the current FMD outbreak by government departments and other agencies, and in particular DEFRA.

3. In its consultation document the NAO specifically poses four questions. Before outlining our comments on these questions we would like to mention the following:

4. From the outset the Government has had a legal duty to control and eradicate foot and mouth disease. By the end of September the disease has still not been eradicated. There have been record numbers of cases, of animals slaughtered on infected premises in the contiguous cull and in the welfare disposal scheme. The costs to agriculture, to the rural economy and to the general economy have been beyond any expectations at the beginning of this outbreak. Whilst success or failure of any policy has always to be measured against plausible alternatives, these indicators would call into question whether the control policy for the 2001 FMD outbreak was a success. However, the onus is on the Government to show that it has been the most successful strategy.

5. There are a number of general points we would like to raise here:

6. The speed and breadth of the spread of Foot and Mouth disease surprised and horrified everyone. We would hope that the Government's inquiries (Anderson and Follett) into the current outbreak will ascertain the source of the virus, how it was able to enter the UK, why there was an apparent time lapse between its entry and its detection, the causes of its subsequent rapid and wide spread, the efficacy and costs of the control methods used and the impacts on both the livestock industry and the wider rural economy. Such an assessment should also include stricter enforcement of current legislative requirements for the importation of agricultural products from third countries and regulations for domestic production.

Question One & Question Two: Contingency Planning/Handling of the Crisis

7. In the attached Annex you will find CLA's detailed comments on the handling of the crisis and its impact on farming. These comments will form the basis of the CLA submission to the Anderson inquiry into the lessons to be learned from the foot and mouth disease outbreak of 2001 and the way the Government should handle any future major animal disease outbreak. These comments may be updated for that exercise.

Question Three: Cost-effectiveness

8. Over the last seven months the financial management of the outbreak has appeared to be somewhat erratic. There have been periods of relatively free spending followed by periods in which certain procedures have been imposed, in many cases slowing down the progress of the disease control process. For example in some cases standard valuations tended to be over-generous as were some contract terms for cleansing and disinfection, haulage and other operations. Closer control of expenditure might have been secured if contingency measures, for example pre-planned contracts, had been in place. Such contingency measures would have provided consistency to the process and equity and certainty to those affected. Non-financial costs have also been incurred as a direct consequence of the Government's disposal strategy. For example the burning of carcasses in mass pyres has had a detrimental effect on the public's regard for the farming industry and the countryside in general. In this respect the availability of rendering capacity could have been part of the contingency plan for an outbreak of this kind.
Question Four: Cost

9. In its report "Foot and Mouth Disease: the state of the countryside" of August 2001 the Countryside Agency estimates the impact of the outbreak on the national economy to be 0.5% of GDP, in other words £4 billion. Overall economic costs would normally be expected to include the public expenditure costs, however as the Agency reports that compensation alone is likely to be more than £2 billion, these numbers do not seem consistent with claims that the economic impacts outside agriculture have exceeded those within agriculture by a factor of two or three. We suggest the NAO considers these figures and provides clarification.

10. We would also like to refer you to the successive estimates of costs to the rural economy supplied throughout the epidemic to the Rural Task Force in which the CLA has played an active role. The NAO should refer to Mr Chris Dunabin of the Rural Task Force secretariat in DEFRA to obtain this information. Such data has been provided not only by the Regional Development Agencies, but also the English Tourism Council and academic authorities. The most recent cost estimates are laid down in the above-mentioned report of the Countryside Agency and the Government’s own economic survey which is underway.

Country Land and Business Association
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Annex: Issues to be considered by the inquiry into lessons to be learned from the FMD Outbreak of 2001