The Future of Finished Stock Markets/Abattoirs in Northern Devon

ADDENDUM

A Reassessment of the Conclusions Following the Foot and Mouth Crisis

This study was presented to North Devon and Torridge Councils in March 2001. The conclusions of this study reflected the implications of this crisis as they appeared by week three of the outbreak. It was agreed that at some time in the future when the eventual size and effect of this outbreak could be more clearly assessed (as requested by the Councils), the conclusions presented in this report would be reassessed and this Addendum prepared.

The Councils requested that this Addendum be prepared for 20 June 2001-06-07

The Addendum is divided into four sections:
(a) The foot and mouth crisis as of early June 2001, as a background.
(b) The effects on the livestock industry, nationally and in Devon.
(c) Additional 'events' that have impacted on the previous conclusions.
(d) The implications of the FMD crisis and other 'events', for the earlier conclusions.

(a) The Foot and Mouth Crisis as of early June 2001

The National Picture

At the time of writing (7th June 2001), with 1707 cases of FMD reported in Britain, a better understanding of the impact of the disease may be obtained. According to MAFF to date 3,230,000 animals have been culled through various foot and mouth disease control measures, namely those on *infected premises, dangerous contacts contiguous premises, dangerous contact non contiguous premises and slaughter on suspicion*. As a proportion of the total national livestock population, as shown in the December 2000 census, this is the equivalent to 4.6 per cent of total cattle and calves, 9.4 per cent of sheep and lambs and two per cent of the pig population. Approximately 7,900 holding in GB have had livestock culled.

Table 1. Draft estimates of FMD culling in the UK - 07/06/01

	7th June 2001 (provisional)	***September 2001 Estimate***	% of National herd culled as	***Estimated % of national herd***

		**	result of FMD-JUNE 2001	***culled as result of FMD –estimated Sept 2001***
			% total	***% total***
CONFIRMED CASE CULL	1,707	***1,800***		
Total	1,080,544	***1,139,400***		
Cattle	281,940	***297,300***	2.6	***2.7***
Sheep	775,631	***817,900***	2.8	***3.0***
Pigs	22,973	***24,200***	0.4	***0.4***
TOTAL CULLED UNDER ALL MEASURES (except welfare cull)				
Total holdings with culling	7,958*	***8,392****		
Total culled	3,217,977	***3,393,300***		
Cattle	503,047	***530,500***	4.6	***4.9***
Sheep	2,591,366	***2,732,500***	9.4	***9.9***
Pigs	123,564	***130,300***	2.1	***2.2***

- *MAFF estimate and derived from MAFF estimate
- **Based on September 2001 end of FMD (1,800 cases) and used December 2000 as base data, total species numbers (Table 2).

Table 2. December 2000- Census data

	Number
Total cattle and calves	10,878,000
Total Sheep and Lambs	27,591,000
Total Pigs	5,948,000

The table below shows the expected impact of FMD on the national livestock population together with other influencing factors.

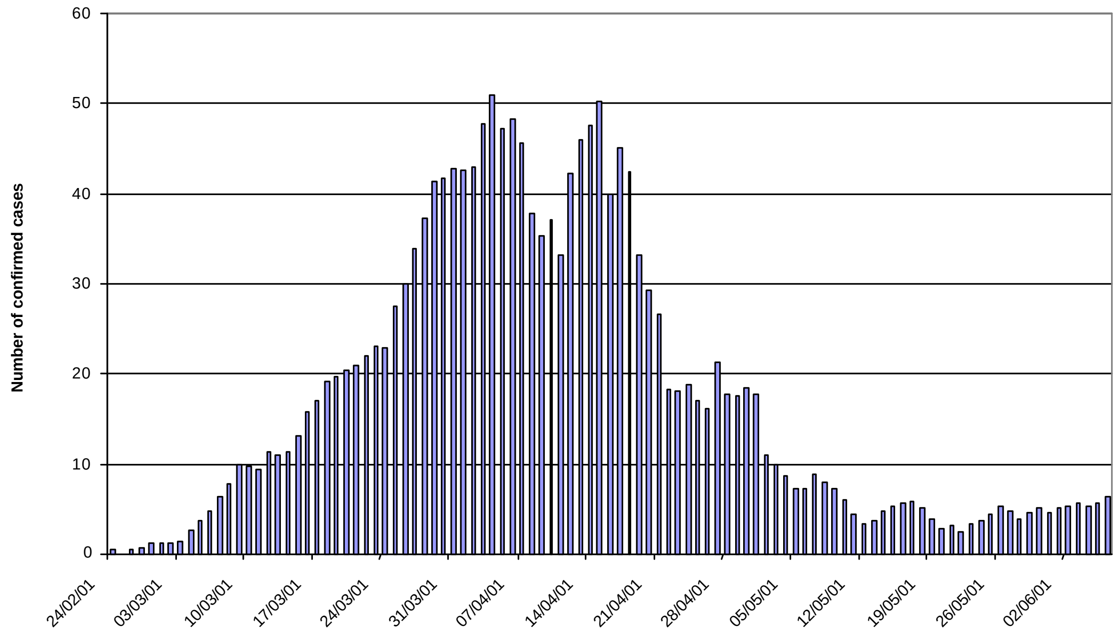
Table 3. Estimated change in Livestock numbers

	MLC estimated decline 2001*
Cattle- Dairy	-6.0%
Suckler	-7.6%
Sheep	-9.7%
Pigs	-8.3%

- *these estimates also take account of other influencing factors, such as the Pig Outgoers scheme and the general trend, Cattle numbers based on June Census- breeding herds

Over the past three weeks, the average number of cases reported each day have varied from the three a day average in the week ending 13 May to six a day average for the latest week ending 3 June. Although this represents a considerable decline from the peek period of early April when over forty cases were reported over a five day rolling average.

Figure 1. Rolling 5-day average of FMD confirmed cases



Source: MAFF as at 6/6/01 19:00

The UK government's chief scientific adviser Professor David King has now revised his previous forecast of FMD ending in June. The new forecast end of FMD, based on these fresh outbreaks, is August, although many veterinary commentators believe that the disease may have a much longer 'tail' than this, with some being as pessimistic as seeing sporadic small outbreaks occurring until the end of the year! *As a basis for our estimates in the above tables, we have used a scenario that FMD will end in September 2001, as illustrated in the tables.*

The recent outbreaks in Lancashire and Cheshire have been of concern to many as both areas had been free of the disease since early April and its re-occurrence in the regions is considered by many a significant set back, although sporadic cases of the disease were always expected.

A joint statement released by the chief scientific adviser and chief veterinary officer indicate that the cluster of cases in the Settle area, North Yorkshire, was mainly spread through the movement of people, equipment vehicles and animals. According to the statement, the nature of farming within the area has exacerbated the problem. Concern was raised in the report that as Settle held similarities to Penrith in terms of both population distribution and husbandry practices that there stood considerable likelihood of seeing a significant disease development within the area. As a result of the sheer number of animals culled in the area, further burial sites were brought into use from Widdrington, Northumberland and Hespin Wood.

The Situation in Devonshire

At the time of writing (7th June 2001) there had been 167 confirmed cases of foot and mouth in Devon. The last case to occur was on the 2nd June 2001 at South Molton.

Table 4. Draft estimates of FMD culling in the Devon - 07/06/01

	7th June 2001 (provisional)	***September 2001 Estimate***	% of Devonshire herd culled as result of FMD-June 2001*	***Estimated % of Devonshire herd culled as result of FMD –estimate Sept 2001****
			% total	***% total***
CONFIRMED CASE CULL	167	***176***		
Total	94,028	***99,100***		
Cattle	24,076	***25,400***	3.8	***4.0***
Sheep	66,970	***70,600***	3.4	***3.6***
Pigs	2,982	***3,100***	1.5	***1.6***
TOTAL CULLED UNDER ALL MEASURES (except welfare cull)				
Total holdings with culling - estimate	*658***	***694*****		
Total culled	370,938	***390,900***		
Cattle	71,277	***75,100***	11.2	***11.8***
Sheep	267,510	***281,900***	13.8	***14.5***
Pigs	32,151	***33,900***	16.6	***17.5***

** Derived from average number of animals per confirmed case cull divided by total culled, with estimate for September
* As taken from Census data, see Table 5.

Table 5. June 1999- census data (DEVON)

	Number
Total cattle and calves	636,817
Total Sheep and Lambs	1,943,070
Total Pigs	193,494

Livestock Welfare Disposal Scheme

In addition to the number of animals culled as direct FMD control measures, there have also been a considerable number of animals culled under the Welfare Disposal Schemes *(no separate figures were available for Devon at the time of writing)* With the movement restrictions bought into order in an attempt to contain the disease placed pressure on livestock, as it became impossible to move them to either slaughter/ clean pastures or home from wintering. In response to the welfare consequence of this, MAFF introduced the Welfare Disposal Scheme. To date, a million animals have been culled under this scheme, as the table below shows.

Table 6. National Welfare Disposal Scheme Slaughtering (provisional)

Species	Animals Slaughtered
Cattle	96,237
Sheep	758,978
Pigs	212,365
Total	1,067,580

Therefore with the additional culled animals as a result of welfare grounds related to FMD control measures, the total number of animals culled currently stands at around 4.2 million. Individual species figures are tabulated below.

Table 7. Provisional Total Slaughtering as result of FMD (06/06/01)

	Total Slaughtered^	As % of national population*
Cattle	599,284	5.5
Sheep	3,350,344	12.1
Pigs	335,929	5.6
Total	**4,285,557**	

^ Including contiguous cull, direct contact, infected premises, slaughter on suspicion and welfare cull.

- As a percentage of December 2000 Census

The Situation in Northern Ireland as a Comparator

Whilst still in the midst of FMD, it will be some time until the true impact of the disease on the economy and on the structure of agriculture in the UK, will be known. Northern Ireland provides a useful example of the recovery process to normality.

Meat and dairy exports from Northern Ireland are set to resume following the European Standing Veterinary Committee's decision to approve regionalisation. Bríd Rogers, Agriculture Minister announced the decision on Tuesday 5 June. Northern Ireland's policy of serology testing more than 300,000 sheep is believed to have played a central role in securing the regional status. Exports of pigs, pork, lamb and milk from Northern Ireland, will now resume as the EU decision was formally adopted on 7 June. Live sheep exports are set to begin on the 1 July. However, exports of live cattle and beef are still banned under EU BSE controls.

It was also announced that the partial lifting of animal movement restrictions in Northern Ireland would also occur. Livestock would once again be allowed to move to common grazing, as long as all of the stringent conditions are met and that species are kept totally separated, so that at no one time would both cattle and sheep be found on the same commonage. Although livestock auction markets remain closed, the minister announced that collection points would be established to allow lambs to move to slaughter, reducing transport costs to farmers. With the value of live animals and milk exports estimated at around £200 million, the lifting of export restrictions come as a significant boost to the NI industry, and goes some way in restoring sector normality.

(b) The Effect on the Livestock Industry

In addition to the traumatic loss of stock for those with infected farms or those caught up in the contiguous cull programme, the crisis has had a major disruptive effect on market which has affected all livestock farmers and all sectors (with for farmers the related stress caused by the uncertain situation and the extra layers of ‘red tape’ that the various restrictions have imposed). The main effects on the industry to date have been:

1. **Loss of export market** – crucially important for the lamb market, where in previous years upwards of the equivalent of 6 million lambs (compared to total slaughterings of 18 million), were exported. In Devon, Lloyd Maunder has been a major exporter of lamb, whilst at Holsworthy and South Moulton markets in the season, other export abattoirs were major buyers.

In principal exports to the EU will be allowed to resume 30 days after the last case of foot and mouth is detected (after three months to third countries) – but before the Standing Veterinary Committee in Brussels will declare that GB (or potentially a region in GB or possibly a species i.e. pigs) is FMD free, the home authorities have to prove this, following a stringent period of veterinary surveillance (involving the serological testing and surveillance of animals, particularly sheep, in the Provisionally Free Areas – PFA’s). Many commentators believe therefore, that in GB because the FMD strain is so sheep adapted (and hard to spot in flocks) this will involve the serological testing and surveillance on ‘uninfected flocks’ in PFA’s for an extended period. In these circumstances even if the scenario was a last case in September 2001, exports are unlikely to resume until well into 2002!

2. **Movement restrictions and market closure –**

- All farmers are affected by movement restrictions. Inside the infected areas this has caused major problems for all farmers still left with animals, particularly where there has not been adequate slaughter facilities for the commercial sale of stock (as in parts of Devon in May). All farmers keeping more stock than normal were faced with extra costs for labour or working harder under overcrowded livestock housing conditions with forage and bedding stocks running out before a late turnout. For many the Welfare Disposal scheme was the only option in such circumstances. Outside the infected area it is possible to obtain movement licences for both slaughter and welfare reasons, but extra costs are incurred in order to allow for long distance movement licences to be carried out (veterinary charges and disinfection). To begin with there were huge numbers of animals, especially sheep in the wrong place for the time of year for normal practice e.g. lambing, especially in restricted areas.

- All livestock markets have been closed and will be closed for normal business until some time after the MAFF veterinary staff believe that the outbreak is under control. As outlined in point 1, this could be quite some time. In addition because it is believed that the disease was spread around the country by dealers operating out of (or around) livestock markets, it has raised the profile of the concern about veterinary control and bio-security in animal transport and primary marketing. It has also given some critics of the industry further 'ammunition' about the role of livestock markets and 'excess' animal movements (and at the same time highlighted how much of the industry is now concentrated into the hands of a few large supermarkets).

This has led to a proposal for greater traceability accompanied by a ***'20 day standstill period for livestock'*** *being moved onto and off farms (*the reason for the proposal is to allow any new animal once moved onto a different holding to stay there long enough to allow FMD –or other disease - to incubate so that any potential spread of this disease is kept to a minimum; to achieve this it is no good simply keeping the new animal on the holding for three weeks but allowing other animals from that holding to be moved*).*
*If implemented as proposed this would have a significant effect on what have been normal practices in the sheep sector particularly (*with at times of the year animals being moved frequently and traded by dealers*), and many believe it would seriously curtail the activities of the users of markets and thus threaten the existence of markets themselves! At the time of writing this issue was out for consultation but the views of many of the major organisations, whilst not fully in favour of the proposed '20 day rule' in the sector, are broadly in favour of tightening up the bio-security of the supply chain through greater traceability and greater control over animal health. Whatever is agreed is expected to effect the future activities of market traders and therefore the markets themselves.*

- All of the livestock markets in Devon have since the start of the crisis and the ban on their activity been effectively mothballed by their operators (who, as the main report pointed out, are all mainly 'property sale and land agency' driven companies); although clearly these companies are experiencing a loss of income from their market activities, it is not thought that this alone would threaten the permanent closure of existing markets. The biggest problem they face when they are allowed to reopen is the extent to which new regulations (the revised '20 day proposal') will inhibit their activity or that of some of their users (i.e. dealers), and the extent to which the attitudes of farmers and their customers about the re-engineering of the local and national the supply chains evident before the crisis, will have been given a new impetus for change as a result of their experiences due to the crisis. This could have serious implications for the future business of live markets, particularly for the sale of finished stock
- During the crisis a few of the existing markets in Devon, South Moulton (for a time), Kingsbridge and Exeter have earned some revenue from the market site

through operating as *Cleaning and Disinfection Centres*. Hatherleigh situated as it was at almost the centre of the FMD outbreak in Devon, has rented its large parking and other facilities to MAFF as a logistics centre. Some of the staff of the market operators have been involved in valuation work under the various cull schemes, whilst others have attempted to maintain a semblance of sales activity through linking buyers and sellers of store stock particularly, through telephone sales activity, using aids such as video sales catalogues. In other parts of the country some auction chains have resurrected old video sales systems or developed linkages through new web sites to maintain some commercial activity, but it has been difficult.

- There was an expectation that markets would be used as *Collection Centres* to facilitate the movement of stock to slaughter from producers, but so far this scheme has for various reasons proved difficult to get off the ground. At the time of writing a number of centres in Devon, such as Holsworthy and Bideford had applied, but of the market sites only Exeter had been given provisional approval (a major technical sticking point has been the need to convince the authorities that the surfaces at the site were sound enough to provide adequate bio-security following the cleaning and disinfection that would be required after each days activity; many older market sites do not come up to scratch!). There is a feeling amongst some auctioneers that this role as a more of a collection centre with tight bio-security, will be one of the only ways that they may be able to operate in future. If this is the case then there will be a stronger need to rationalise existing facilities and focus activities around locations with new or improved facilities that exist perhaps more as rural ‘agri-business centres’, that bring together the old and new methods of selling stock and doing other business.

3. **Market and price disruption** - in the short term (in 2001) the crisis has severely disrupted the pattern of marketings, and will continue to cause shortages and surpluses at other times this year that may cause marked fluctuations in price; of greatest concern, despite the level of lamb culling, is the impact of FMD on the lamb crop. In short, there is expected to be a larger than usual number of lambs coming onto the home market in the autumn, finding a market for any of these lambs will be difficult but particularly so for the light lambs (many of which previously went to the export market!).

   Currently reduced stock prices are a problem for farmers in all areas, particularly for finished lamb sales. New seasons lamb prices are lower than they would have been and hogget prices have been highly variable. Cattle prices are returning close to levels just prior to FMD after a few weeks of lower than normal prices as the market adjusted to the new situation.

   However, there has developed a two tier pricing structure for cattle and sheep depending on whether they are inside or outside the infected area. There have been many reports of a large price differential existing for lamb depending on whether the abattoir is in a ‘clean’ or a ‘dirty area’. If producers are in a ‘dirty area’ then they are told which abattoir to use and how to get there; in such areas low prices have been reported! In comparison in ‘clean areas’ prices are higher and abattoirs are finding it increasingly difficult to compete in the wholesale markets. There is now in parts of Devon a major oversupply of lambs into abattoirs in the infected areas, as all the major processors (bar Lloyd Maunders) are outside the area and cannot take lambs from within the area. Many abattoirs were nervous when slaughtering first resumed to take lambs due to the difficulty of identifying the disease in sheep and the risk to their other trade. This problem has now eased but did lead to a further reduction in domestic lambs reaching home markets in March and early April, as many abattoirs were killing well below their normal capacity.

The prospects are poor for any improvement in lamb price until exports are resumed and it is likely that prices will drop faster than last year with too many lambs chasing too few sales opportunities.

4. **Extra costs of sales –** information from **South West Quality Meats (SWQM)** illustrates the extra costs faced by farmers that are associated with rules introduced to stop the spread of FMD.

   These they maintain consist of: -

   a) Additional transport charges as a result of single journey rule

   b) Extra Disinfection charges

   c) Extra veterinary inspection charges where abattoirs require a certificate before slaughter. These charges have been paid for by MAFF since early May it is understood.

   According to SWQM - producers are forced to pay for the majority of the above extra costs. It is not clear whether the charges levied by hauliers, vets and abattoirs cover all their extra charges. Certainly some local vets have reduced their hourly rate for this type of work. A local abattoir has increased their slaughter charges by £2/lamb (11%) to cover disinfection costs. Transport charges are more difficult to quantify as the problem is compounded by the inability to put animals from more than one holding in the same vehicle even if the same farmer manages the holdings. In addition to this problem hauliers face much longer journey and waiting times for less animals due to disinfection rules. In Cornwall according to **SWQM,** this has led to increases in local transport charges of around £1/lamb and £15/hd for cattle. These are considerable and again reduce livestock output still further.

5. **Lack of outlet for cull livestock -** Currently there is no outlet for cull cattle and only limited outlets for cull sheep and cull sows The OTMS is currently not in operation. Nationally this now means there is a backlog of cattle still on farms requiring feeding for little if any return. **SWQM** gives examples of the situation with Cornwall Quality Livestock Producers (CQLP) who would normally market around 100 cull cows/month with Wessex Quality Meat (WQM) marketing some 300 per month. No farmer whether in the infected area or not can move cull cows unless under the welfare slaughter scheme. To join this scheme they have to prove a welfare problem.

6. **Extra costs on farm as animals have to be kept longer before a market can be found –** these are typically those of extra feed, other variable costs such as bedding and veterinary plus the cost of a reduction in quality (over weight, over fat) if they stay too long on farms.

(c) Additional 'Events'

1. Ewe premium – if the sector had not enough financial problems, current estimates are that ewe premium will be around £8/ewe for this year compared to around £10.40 last year. This results from how the premium is calculated using market prices from around the E.U

2. Destruction of North Devon Meats – the fire at Torrington, destroyed the largest abattoir in the North Devon area and posed immediate problems to cattle producers in the infected area in particular, that had no outlet for their stock. After a time MAFF agreed to create a special corridor to the sister St Merryn plant in Bodmin for cattle, and by early June the Torrington site and lairage was being used as a Collection Centre to facilitate this trade. In the long run the decision as to whether to rebuild this plant at the existing or new location is of major importance to the North Devon area particularly for producers who were servicing the 'mainstream market' for cattle and pigs (it only killed a small number of sheep), but less so for others servicing the 'alternative market' who did not use it.

(d) Implications for the Conclusions

In the section below the *words in italics* **are the verbatim conclusions to the report presented in March 2001. The reassessment of these conclusions as a result of the FMD crisis is presented in a highlighted form as a short commentary on these conclusions.**

It is clear that the many pressures on the livestock farming and meat production sectors and their supporting marketing structures (further exacerbated by the foot and mouth disease crisis) are pushing in the direction of creating within the study area in the next few years:

- *a smaller livestock production sector with fewer commercial holdings (although the number of livestock produced by each of these could be larger than holding size suggests, as the spare capacity from none commercial farms is taken up), producing fewer finished and store stock.*

(the FMD crisis will exacerbate this conclusion and see in the short and in the medium term a further reduction in available cattle and pigs and in the medium term a marked reduction in available sheep in Devon, although in the short term there is likely to be oversupply of lamb in respect to the available market; the extent to which the trend is exacerbated in the medium/longer term will depend on the extent of the restocking that occurs on affected holdings; colloquial information at the time of writing indicates that the FMD crisis will cause only a small number to

exit the industry but will lead to all re-evaluating their stocking plans and systems, that may lead to further stock reduction than anticipated before the crisis; the situation still depends to a certain extent on the extra aid that may or may not be available to both direct production and marketing and supply chain re-engineering schemes and the extent to which this re-develops confidence)

- *a small farm and hobby farm sector producing an indeterminate number of stock (but probably less than 10% of total availability in the area).*
- *a growing number of organic producers, but still small in terms of throughput .*

(the FMD crisis in itself will not it is thought effect the above two conclusions, except that those with holdings that have lost all stock may be more inclined to reassess their future systems of production and may be encouraged to go down the 'niche' and/or the 'organic' routes)

- *a tendency for the commercial farms to continue to sell more of their finished stock direct to the larger abattoir companies but for some to sell all and some part of their stock through live auctions in order to maintain a strong alternative market outlet.*
- *a move on the part of some producers to get involved with collaborative marketing and branding schemes that aim to develop the 'alternative' market and that may in some cases aim to extend farmer ownership further down the supply chain and also sell direct to consumers.*

*(**there are indications throughout the country that the attitudes of farmers and their customers about the re-engineering of the local and national the supply chains evident before the crisis, have been given a new impetus for change as a result of their experiences due to the crisis; this will result in a greater pressure for the larger commercial farms to sell direct, and for some of them together with the smaller commercial farmers, 'niche' and 'hobby' farmers to more quickly establish supply chains for the 'alternative' market, many of which will not include a live market as part of the normal chain for finished stock.***

- *an abattoir sector that will continue to concentrate but whose surviving small and medium sized members may begin to work in different relationships with farmers in order to survive and develop the 'alternative market'. The closure of some abattoirs but at the same time new investment in some existing and new plants may well go hand in hand.*

*(**the destruction of the North Devon plant and the effective closure of the West Devon Meats plant at Hatherleigh for much of the crisis has created sooner rather than late, an abattoir availability issue in not just North Devon but all of Devon; clearly the abattoir situation in Devon once the FMD crisis is almost over and farmers and others plans for re-engineering supply chains are clearer, needs to be reassessed against future requirements)***

Clearly within this scenario, the role for livestock markets in both the sale of finished and store stock will continue (barring any major 'event' driven policy that for example, could be an outcome of a major deepening of the current foot and mouth crisis), but they will continue to be under major commercial pressure.

(this conclusion predated the '20 day rule proposal', the eventual outcome of which will, whatever its form, probably result in at least some further restriction on the activity of the users of live markets and thus on the activities of markets themselves)

Even under a normal commercial scenario, both producers and buyers will gravitate to the stronger markets and this will put pressure on the existing small markets plus those where the facilities have not been improved and where the auctioneers are less than proactive with their activity.
(the impact of the FMD crisis will clearly exacerbate this trend)

In other words in the next few years, it is likely that commercial forces will result in auctioneers either withdrawing from some markets or rationalising the current structure through merger; but given the 'other interests' of many auction companies in operating markets (other than to make a profit out of selling livestock), this process could be protracted and result in the gradual decay at some sites.
(throughout the country many of the more forward looking companies with live auction businesses are reassessing their strategic plans in the light of the FMD crisis (KVN for example, who operate the Hatherleigh site and ones in Cornwall, have in Cornwall put in an application under the Objective 1 scheme, to look at the feasibility of rebuilding part of their business in an innovative way, concentrating on developing the 'live and direct' supply chain around amongst other things a new 'agribusiness centre' in Cornwall); many market companies believe that when they are allowed to reopen they will regain their place as the main sellers of store animals but many are pessimistic that the finished trade will move away from them at a quicker pace than seen previously; not suprisingly there are variations in opinion, some hope that the bad experience that some farmers have had as a result of direct trading during the crisis will bring customers back to them when the crisis is over, while others see themselves – as a result of the demands of major buyers and the needs of greater bio –security - only effectively operating in the finished market in the future as 'collection' centres; clearly given what has happened and depending on the individual circumstances, for many 'gradual decay' may not be an option.

The clear message for the local authorities concerning the finished livestock markets in the study area whose sites they own, is that if they feel they have a socio/economic responsibility in the future of such markets, then they could avoid the problems that gradual decay may bring by proactively encouraging the development of two of these into stronger livestock market sites that will service both the livestock sales and also the wider needs of the agricultural community over the next 10 to 15 years.

This could be best done by:

- *encouraging improvements to the current site at Holsworthy.*
- *revisiting the earlier plan to develop a new site at South Molton (but now focussed at replacing the existing market plus the Bideford and Barnstaple facilities, while at the same time not encouraging the over development of the private Blackmoor Gate facility).*

(Clearly the FMD crisis has further focussed the forces for change that were pointed out in the March 2001 Report. It is our view that despite the many question marks on the future activity at live markets that the FMD crisis has thrown up, the markets will when they are allowed to reopen still have a role within the fragmented primary marketing system for stock in England, albeit one which will be smaller than the reduced role which was expected to develop prior to the crisis, particularly

for finished stock. As a result of this it is our view that the above final conclusion is still valid and that to service the needs of the industry in the next 10 to 15 years, it makes logical sense to focus any Council led development plans or Council support for grant aided private development around two strong 'agri –business centres', that would include live market facilities, one in the north east area of North Devon, around South Molton and one in the south west (Holsworthy); however, as regards the former, as a result of the FMD crisis and its longer term impact, it is imperative that the future success of any development at South Moulton is not affected by over development at Blackmoor Gate; and as regards the latter any future plans for Holsworthy should take into consideration more than before any plans as regards the future of the nearby livestock market in West Devon at Hatherleigh. At the very least it is imperative that at the Council level both Torridge and West Devon Councils need to co-ordinate their thinking/attitude towards these two sites and also bring the two private operators of these sites into these discussions about the future, particularly whether any rationalisation/specialisation of/at both sites is possible in order to give any improved facility the best chance of success.

M Palmer
MLC /ISC
11 June 2001

Subscript – Latest Information December 2001

So far the prediction of last case September 2001 made in the Addendum, seems to be holding and although DEFRA veterinarians are very cautious, plans are being made to nationally return the market to normal.

Limited meat exports are now underway from certain plants in some parts of the country, and this activity has already put some firmness in the lamb market . The threat of large numbers of small lambs overhanging the market this autumn./winter has been somewhat overcome by the Light Lamb Disposal Scheme, although the impending French ban on the import of lamb carcases over six months that include the spinal cord, will pose further threats to the lamb export market and will reverberate on the home market.

Bio-security is still a major issue, and into the new year the industry will still have to within the confines of the '20 day standstill' rule, although various exemptions are being proposed for February 2002 .

February 2002, is also a key date for livestock markets, in that it is currently proposed that from this date the sale of finished cattle and sheep (for transport direct to slaughter) and certain categories of store cattle would be permitted (although they will have to be kept separate at markets). But any animal not sold would have to be returned to the holding of origin and trigger the 20 day rule.

However, markets will probably find that the current regulations (The Market Sales and Fairs Order 1925 as amended) may well be substantially enhanced to ensure greater bio-security e.g. the provision of identified bio-security officers, greater cleaning of markets and vehicles, higher standards for protective clothing,provision of hygiene areas, more attention to repair and maintenance of fixtures and fittings etc. These will all form part of what is envisaged as a DEFRA license that will be required for the market to operate.

M Palmer
MLC/ISC
12.December.2001