



USDA Foreign Agricultural Service

# GAIN Report

Global Agriculture Information Network

Template Version 2.09

Voluntary Report - public distribution

**Date:** 4/27/2006

**GAIN Report Number:** UK6017

## United Kingdom

### Livestock and Products

## UK prepares for resumption of beef and cattle exports

### 2006

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**Report Highlights:**

The UK Government has confirmed that it expects the ban on the UK export of beef and bovine products to be lifted by the EU next week. It is anticipated that the EU legislation will come into effect on May 2, 2006 and the corresponding UK legislation the following day. Exports of beef, including pedigree and commercial cattle, from the UK to other EU countries will therefore commence on May 3, 2006. With the ongoing problems for imports from South America and reduced production in most member states, market sources indicate that if UK product is priced competitively then now is a good time to secure market share.

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Includes PSD Changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
London [UK1]  
[UK]

On March 27, 1996 Commission Decision 96/239 instituted a ban on the exports of beef and beef products from the United Kingdom to other EU member states and third countries. Almost ten years later, on March 8, 2006, the EU Standing Committee for the Food Chain and Animal Health (SCFCAH) unanimously approved a proposal to resume exports of cattle born after 1 August, 1996, and beef from cattle slaughtered after 15 June, 2005. This announcement does not affect third countries with import restrictions on UK beef and beef products.

On April 24, 2006 the UK Government's Department for Environment, Food & Rural Affairs (Defra) announced that it expects the EU ban on the UK export of beef and bovine products to be lifted in the week commencing May 1, 2006. Defra anticipates that the EU legislation will come into effect on May 2, 2006 and that corresponding UK legislation will come into effect on May 3, 2006.

Currently, the only UK beef eligible for export to the EU is boneless beef produced under the Date Based Export Scheme (DBES). The stringent conditions attached to the DBES mean that volumes are very low. No live cattle exports are currently permitted.

According to the Meat & Livestock Commission (MLC), the environment for restarting exports of beef to Europe is positive at the moment. From the middle of October 2005, the EU placed a ban on imports of beef from specified states in Brazil as a result of a confirmed outbreak of Foot and Mouth Disease (FMD). From March 2006, the Argentinean government suspended the majority of its beef exports for a 6-month period in an effort to curb rising domestic beef prices. And most EU member states are reporting reduced production. This means supplies of beef in the EU are tight, particularly of manufacturing beef. The MLC believes that initial UK beef exports will be targeted at the price sensitive food service sector. The MLC also highlights that the beef will need to be price competitive. Although UK beef prices have been rising in recent months, they still remain low compared to most potential EU destinations. The MLC forecasts that exports will increase steadily over the next two years from the 11,000 MT recorded under the DBES in CY2005 to 30,000 MT in CY2006 and 50,000 MT in CY2007.

On the live export front, Defra is reporting substantial interest from exporters for export certification for live cattle. While this trade is initially expected to be in pedigree animals, a resumption in exports of calves to the Continent, predominantly France, for the veal sector is also anticipated in due course.

Welcoming the Defra announcement, the UK's National Beef Association (NBA) said the confirmation of the start date gives the UK beef industry a target to work towards. Indeed, according to the NBA, some slaughter cattle have already been purchased by traders with export customers. NBA expects more purchases next week. NBA Chief Executive Robert Forster said "This means that supermarket buyers, who...have dominated domestic price structures, will at last face serious competition from traders selling beef into high priced EU markets...As a result the value of slaughter cattle in the UK can be expected to rise as more beef...is sold overseas."

The National Farmers' Union (NFU) described the lifting of the ban as "the most positive news for the British beef industry in a decade". NFU president Peter Kendall said "We can now look forward to recapturing the £675 million market that was lost when the ban was put in place."

Although the EU legislation will see most Member States immediately open their borders to UK beef and bovine products, some have yet to amend their national legislation. According to Defra, Germany is likely to have the necessary arrangements in place by May 3, 2006. France will be able to import live cattle from May 3, 2006 but the legislation change

necessary for imports of beef and veal is not expected until the middle of the month. However, it is expected that exports of beef and veal from the UK to other countries which go via France will not be prevented in the meantime.

### Member States' positions on cattle and beef imports from the UK when the Regulation lifting the EU export ban enters into force

Member State	Cattle	Beef	By-products
Austria	v	v	v
Belgium	v	v	v
Cyprus	v	v	v
Czech Republic	v	v	v
Denmark	?	?	?
Estonia	?	?	?
Finland	v	v	v
France	v	?	?
Germany	v	v	v
Greece	v	v	v
Hungary	?	?	?
Ireland	v	v	v
Italy	v	v	v
Latvia	?	?	?
Lithuania	?	?	?
Luxembourg	?	?	?
Malta	?	?	?
The Netherlands	v	v	v
Poland	?	?	?
Portugal	v	v	v
Slovakia	v	v	v
Slovenia	v	v	v
Spain	v	v	v
Sweden	?	v	?

v - accepted                      ? – to be announced

Source: Defra

### Comment

BSE (bovine spongiform encephalopathy), otherwise known as mad cow disease, has mainly affected cattle in the UK, where millions of animals had to be destroyed in the 1990s. According to Defra, more than 183,000 cases have been confirmed in the UK to date, with the annual total peaking at more than 37,000 clinical cases in 1992. At less than 200 cases per million, the number of new clinical cases is currently at the lowest level since recording began. It is this fact, along with progress in BSE surveillance techniques and the significance of the 10 year anniversary of the export ban, that has seen the UK Government ratchet up its efforts in recent months to see the EU beef and live cattle export ban lifted. It is expected that the UK Government will now turn its attention to third countries, including the U.S., which continue to maintain import restrictions on UK beef and beef products.